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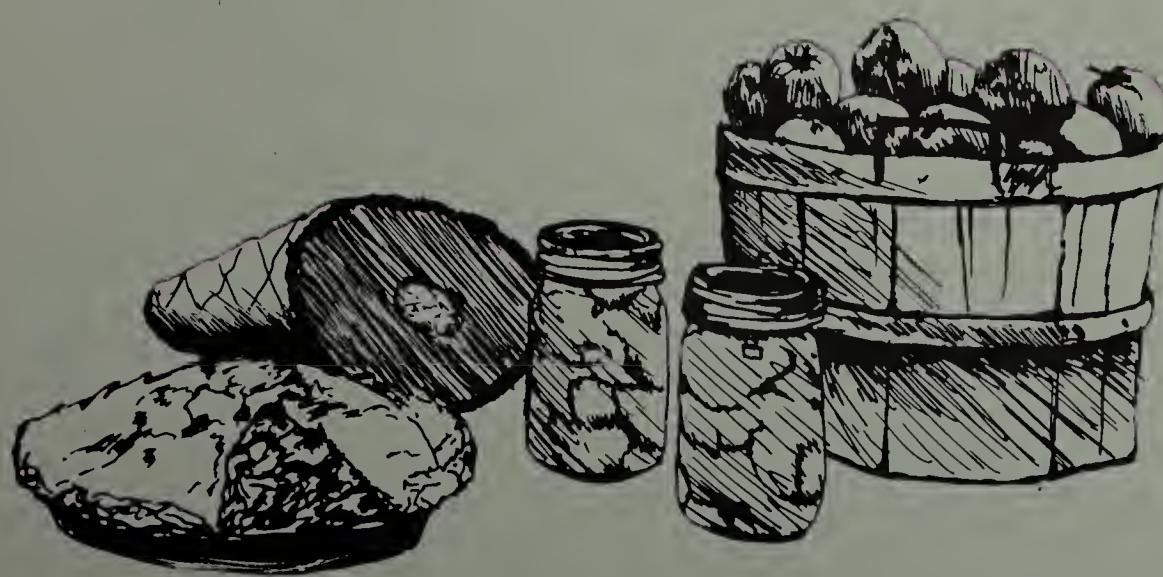
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Food and Agriculture Workbook
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THE FOOD AND
AGRICULTURE
WORKBOOK

by Patricia Cantrell



Workbook Number 3

Rocky Mountain Institute / Economic Renewal Program

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Rocky Mountain Institute's Economic Renewal Program

This workbook is one component of the Rocky Mountain Institute's Economic Renewal Program. The Program offers rural communities and city neighborhoods a variety of tools and skills to develop sustainable local economies. These include publications, technical assistance, and training workshops.

Workbooks and Casebooks

Written for community volunteers and leaders, and for economic development professionals, Economic Renewal (ER) publications provide sensible information that is easy to understand. They divide the demanding work of community economic development into manageable tasks, helping community residents find and implement realistic solutions.

The *Food and Agriculture Casebook* is the companion to this workbook. The Casebook offers a look at food and agriculture issues and case examples from around the country. It adds to the discussion and ideas generated in the *Food and Agriculture Workbook's* workshop process.

Additional casebooks in the ER series focus on community opportunities in energy, business opportunities, water, and waste management. These sector-specific casebooks present success stories from hundreds of communities across the country and provide new options for practical projects. Companion workbooks are used with the casebooks to analyze the condition of local economies and to select and evaluate practical projects to help renew the local economy.

The ER Program has also produced *Financing Economic Renewal Projects*, a handbook for selecting appropriate financial tools for local economic development.

Training Workshops

RMI offers workshops to train community volunteers, leaders, and professionals in community economic assessment, strategic planning, and leadership. RMI also provides speakers for conferences and seminars. For more information, contact:

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Rocky Mountain Institute is an independent, non-profit research and educational foundation located in rural Colorado. Its mission is to foster the efficient and sustainable use of resources as a path to global security. RMI's primary concerns are energy, water, agriculture, community economic development, national security, and their interconnections. RMI seeks ideas that help people solve complex problems through collective action and their own common sense.

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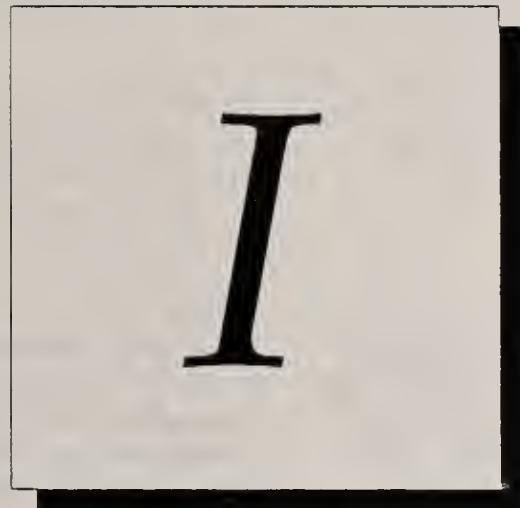
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*Introduction to the
Food and Agriculture Workbook*

❖ I. Introduction to the Food and Agriculture Workbook ❖

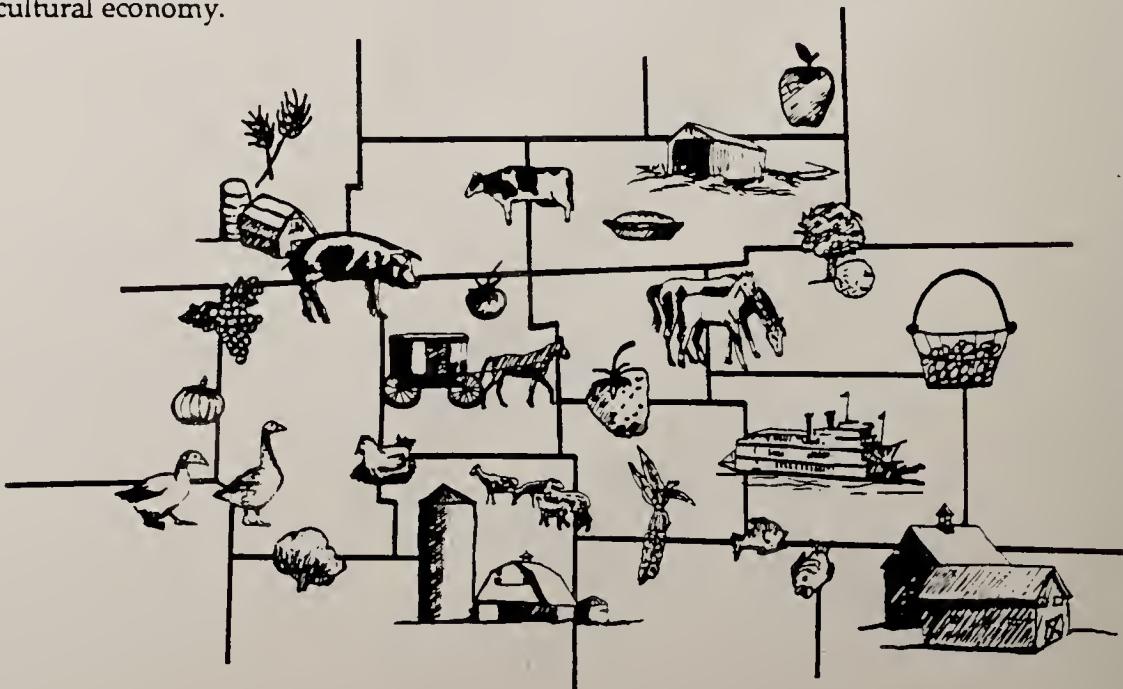
Purpose

Just as maps are designed to give you an overview of terrain and routes between one place and another, this workbook is designed to help you get your bearings on the road to agricultural economic renewal. You decide the course, but completing the workshops described here will put vital information about local food and agriculture conditions into your hands. The economic renewal process brings the entire community into discussion of the local economy. Therefore, projects that workshop participants finally choose are based on local knowledge and understanding of the community's unique agricultural characteristics and opportunities.

The workbook was written for community leaders, volunteers, and other concerned citizens. It can also be used by economic development professionals and government staff who understand that their work will be more effective if they involve local people in their search for the best ways to improve the local food supply and strengthen the agricultural economy.

You may have chosen to use the *Food and Agriculture Workbook* rather than one of the Economic Renewal Program's other workbooks because agriculture is a strong part of your region's heritage and economic base. Like many communities, especially in rural areas, your agricultural economy may be suffering from high production costs, heavy debt, and little profit. You may be concerned about your community's ability to provide itself with basic foodstuffs.

There are many reasons for you to sit down with your neighbors and examine food and agriculture options. This workbook and its partner the *Food and Agriculture Casebook* are tools for you in the process of figuring out how to keep agriculture, the largest single employer in the country, working for you and the health of your community.



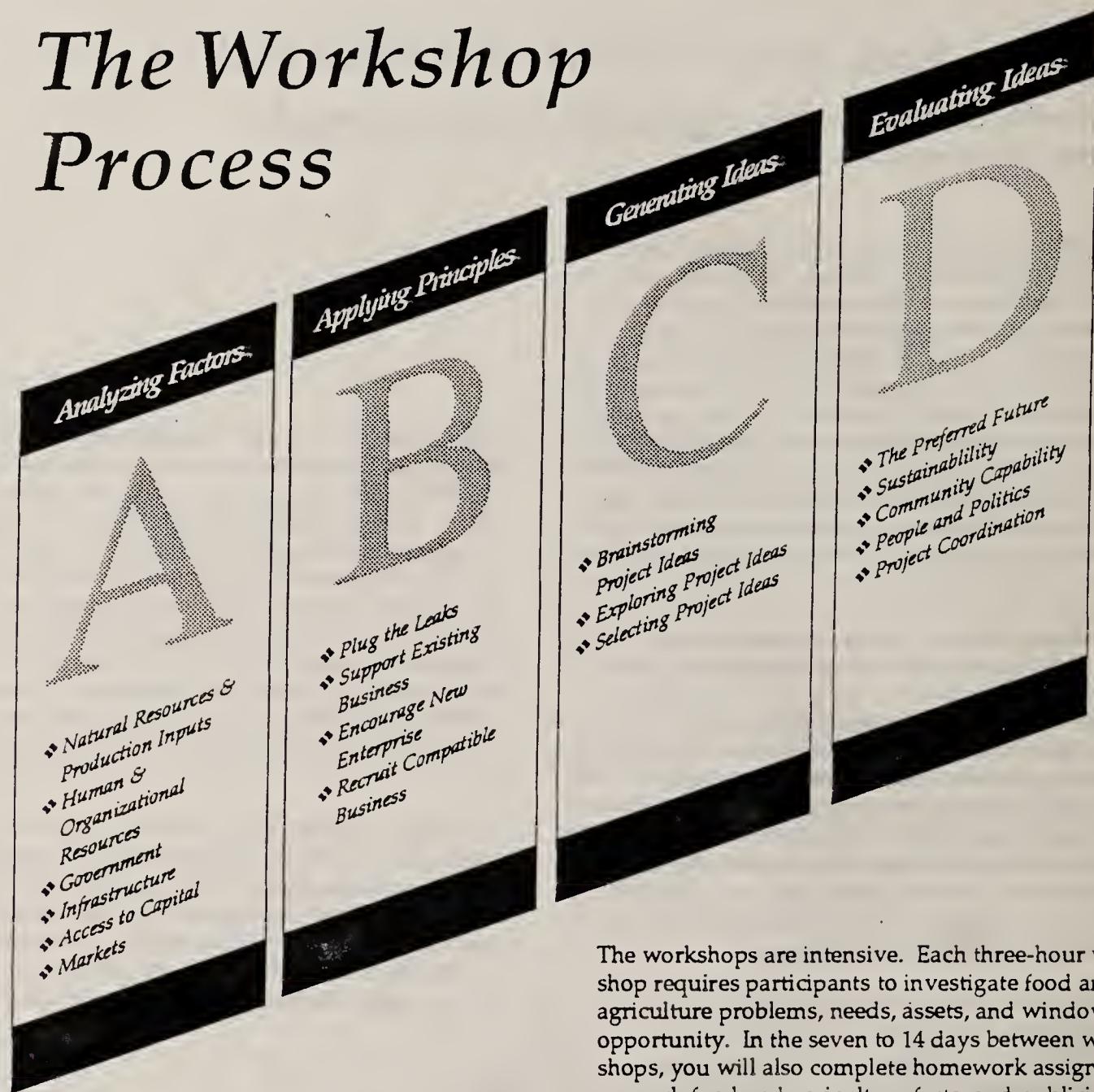
Community Successes with Economic Renewal Workshops

In Alamosa, Colorado, workshop participants formed an agricultural committee. For their first project they created a brochure about the agricultural products and unique farming community of their San Luis Valley. Distributed to seed buyers, realtors, trade shows, and the general public, this brochure — full of interesting stories and helpful facts — has been a hit with growers and buyers. It helped San Luis Valley farmers work together and taught local consumers about their regional agricultural economy. For its next project, the committee plans to develop grocery shelf information sheets to educate consumers about locally grown produce.

In Swannanoa, North Carolina, workshop participants decided to focus on helping small farmers in the Swannanoa Valley make a living growing specialty crops. In cooperation with the local community college, the committee has produced a directory of area farmers and farm products, started a tailgate farmers market, sponsored a series of workshops on producing and marketing specialty crops like broccoli and shiitake mushrooms, and started a flower arrangement enterprise. After two years, the committee of farmers continues to meet monthly and plan their next steps for agricultural economic renewal.

The San Luis and Swannanoa projects began because farmers and other community members decided to analyze their local agricultural economy and food supply and then develop economic renewal projects based on their findings. This workbook is a tool for you to do the same thing based on what you learn about food and agriculture in your region.

The Workshop Process



The *Food and Agriculture Workbook* is organized around a four-step community workshop process, where groups of participants use tailored worksheets to examine the present state of local agriculture and identify workable options for the future. The four workshops, approximately three hours each, are held within seven to 14 days of each other. The entire process should therefore take no more than two months to complete. At that time, you will develop plans to pursue the projects you have chosen through the workshop process.

The workshops are intensive. Each three-hour workshop requires participants to investigate food and agriculture problems, needs, assets, and windows of opportunity. In the seven to 14 days between workshops, you will also complete homework assignments, research food and agriculture facts, and publicize workshop progress. It will be a busy time... But the results—new leadership, innovative directions for food and agriculture, and community cooperation—will keep economic renewal going long after the last workshop.

The workshops are designed for people like yourself who have many other things to do. Participants don't have to be nutrition experts or professional agricultural economists to find the right directions for their community's agricultural economy. Local farmers, grocers, and others are the real food and agriculture experts. The Economic Renewal workshops are designed to make the best use of your time and experience.

The Four Workshops

Workshop A — Analyzing Food and Agriculture Factors

Workshop B — Applying Economic Renewal Principles

Workshop C — Generating Project Ideas

Workshop D — Evaluating Project Ideas

In *Workshop A*, participants will work in small groups. Each group will look at food and agriculture problems, needs, assets, and windows of opportunity in terms of one of the six food and agriculture factors:

- 1—Natural Resources and Production Inputs
- 2—Human and Organizational Resources
- 3—Government
- 4—Infrastructure
- 5—Access to Capital
- 6—Markets

In *Workshop B*, participants will apply the four Economic Renewal Principles to the results of *Workshop A*'s factor analysis. The principles are:

- Principle #1*—Plug the Leaks
- Principle #2*—Support Existing Business
- Principle #3*—Encourage New Enterprise
- Principle #4*—Recruit Compatible Business

These four principles are essential for healthy economic activity in your area. Thus, in *Workshop B*, you will trace leakages of dollars and resources, review the quality of support available to existing businesses, find opportunities for encouraging new enterprise, and determine what kinds of incoming businesses your community might want to attract. The connections you make in *Workshop B* among problems, needs, assets, and windows of opportunity will help you generate appropriate project ideas for local food and agriculture conditions.

Included in this workbook is a Food and Agriculture Profile appendix with worksheets you can use to find important facts and figures for your examination of local conditions. If you decide to use the appendix, start collecting data for the worksheets now so you can report this information to the workshop groups at the beginning of *Workshop B*. The Food and Agriculture Profile will help participants in *Workshop B* as they apply Economic Renewal Principles to food and agriculture problems, needs, assets, and windows of opportunity.

In *Workshop C*, you will generate project ideas that build on community assets and address community needs. Many of the project ideas you generate in *Workshop C* will come from the connections you made in *Workshop B*.

Finally, in *Workshop D*, you will evaluate each project's potential for success and determine what resources are necessary to get the project off the ground. There are several evaluation tasks in *Workshop D*. Together, they will help you make final project selections.

Throughout the workbook are instructions and suggestions for conducting your workshops. However, the workshops will be most effective if they are conducted by someone with experience running meetings or someone who has been trained in the Economic Renewal workshop process.

For a review of helpful facilitation techniques, see the Economic Renewal Program's *Facilitator's Manual*. The Economic Renewal Program also offers training workshops for the sessions described in this workbook. You can contact the Economic Renewal Program at (303) 927-3851.

Using the Workbook

Technical Analysis

The Workbook's worksheets will help you paint a general picture of your local food supply and agricultural economy. They are designed for communities that have limited access to technical assistance. However, if you are fortunate enough to have the help of government staff, college students, or capable volunteers, you may want to conduct a more detailed analysis to enhance the information that community participants generate in the workshops. Appendix 1: Food & Agriculture Profile includes worksheets and a food industry survey to help participants and technical assistants generate a more detailed picture of local food and agriculture.

Technical assistance providers should regard the Workbook's community self-assessment process and appendix worksheets as the context within which they can offer technical information in a way that citizens can use and act upon it.

Preferred Future

The Workbook will refer periodically to your "Preferred Future" list. This is a statement of long-term goals and values that you and others in your community share. It is sometimes referred to as the community's "vision." Before you begin the workshop process, have a town meeting to discuss and outline these goals and values. The Preferred Future list will be useful for workshop participants to remind them of where they started and where they want to go with the economic renewal process. It will also create a basis upon which neighbors—even those who disagree—can work together.



Suggestions for Conducting Your Workshops

The following suggestions will assist you in your efforts to conduct effective workshops:

- ❖ **Involve a diverse group of citizens and community leaders in the process.** Do not limit the process to those individuals who have traditionally taken the lead in community development. Identify every interest group in town and recruit members of each to participate. One way to ensure broad participation is to ask likely participants to invite three more people to the workshops.
- ❖ **Generate as many ideas as possible** before you begin to evaluate what is good or bad about these ideas.
- ❖ **Think before you act.** Don't jump to the "best way" to solve a problem. Often what seems at first to be the best solution has flaws that become obvious once you examine all aspects of the situation.
- ❖ **Celebrate small victories** in developing your Economic Renewal projects. Spend time reinforcing areas of community agreement, common vision, and concern. Congratulate yourselves on the quality of community involvement in the program.
- ❖ **Increase the number of people** who attend each meeting by publishing articles in the local newspaper and spreading the news by word-of-mouth.
- ❖ **Encourage participants to sit with people they don't know.** That way, people will make new friends and learn more about the community.
- ❖ **Have fun.** The workshops are designed to allow you to socialize with your neighbors. We encourage small-group problem solving as a way to increase productivity and help you enjoy yourself.

II

*Developing Food and
Agriculture Opportunities*

❖ *II. Developing Food and Agriculture Opportunities* ❖

Agriculture and Local Economies

Aisles and aisles of food on grocery store shelves are facts of life in the United States. Our nationwide system of farms, processors, shippers, and supermarkets provides a steady supply of food. Fresh, ready-made, or frozen, your favorite is waiting for you at a nearby grocer 24 hours a day. The convenient abundance of the U.S. food system is a fantastic accomplishment. With abundant land and natural resources, favorable climates, skilled farmers, and advanced technology, this country is a bountiful breadbasket for itself and much of the world.

The price we pay for convenient abundance, however, is greater than the check-out-lane total. Struggling rural towns and contamination of water, soil, and food are costs we pay down the line. Topsoil depletion, energy-intensive packaging and processing, coast-to-coast shipping of basic foodstuffs, trade wars, and toxic dangers to farm workers and consumers are significant costs of modern food production. If you peel away its label, the U.S. food system is an expensive product.

These costs of agricultural production have increased along with our push for more predictable and ever greater yields to feed into a conveyor belt food system. Mass-produced food requires preservatives, packaging, expensive machinery, chemical management, farmland, and water. Industrial agriculture has taken up local resources and grown farther and farther away from the family farm. Fewer and fewer food dollars make it back to food producers. In 1987, for instance, U.S. consumers spent \$380 billion for food produced on U.S. farms.¹ However, only \$90 billion of that returned to U.S. farmers.² The rest of the profits went to the packaging, processing, and retail food industries.

Are there other options for farmers and their rural communities? Many across the country are taking stock of their resources and finding that there are indeed ways to earn income from agriculture without wasting topsoil or bankrupting families. Investment in the natural productivity of the land, community gardens, greater local consumption and processing of local foods, and diversified farming operations are among the strategies rural towns are using to supply themselves with fresh food and keep profits home.

Most small town agriculture is not set up to compete with a conveyor belt food system of industrial agriculture. Farmers can, however, customize their agriculture to suit changing economic and ecological conditions. As communities strengthen local agriculture, they become less dependent on imported food and farmers are more able to withstand the pressures of industrial agriculture.

Industrial agriculture, with its cost advantages of size and mechanization, has squeezed out thousands of farmers from rural communities. Trying to match the scale of corporate farms, many family farmers have accumulated large debts that have forced them to abandon their operations. Along with those farmers went local newspaper readers, restaurant patrons, retail customers, and school children.

The loss of 50 dairy farms in an average rural area translates into a \$2.3 million reduction in farm supply sales, a \$600,000 drop in farm equipment sales, \$2 million worth of loan defaults at local banks, and the migration of 80 children and seven teachers from local schools.³ That adds up to an economic loss of more than \$6 million per year.⁴ Keeping farmers farming is crucial for agriculture-based communities. To avoid losing income and residents, towns must find ways to cut farmers' production costs, substitute local products for imported items, and develop new markets for local producers.

Income and Resources

Topsoil erosion is one example of how declining resources create unnecessary costs for farmers across the country and deplete the land's fertility. Soil conservation is a simple way farmers can preserve soil fertility and lessen their need for additives like herbicides and synthetic fertilizer. For instance, in the Palouse River Basin, which spans the states of Washington and Idaho, farmers and county governments could save income with conservation. Reliance on row crops grown on the same land every year and ever larger farms tilled by one operator are trends that are washing away the area's fertile soil.

For every bushel of wheat harvested on the Palouse River Basin, at least one bushel of topsoil flows into road ditches, streams, and the Snake River.⁵ The annual cost to the federal government for dredging dams in the region approaches \$27 million.⁶ Whitman County, Idaho, alone spends between \$500,000 and \$1.6 million annually to clean sediment from ditches.⁷ That is roughly \$1 million lost from the county's annual budget that could otherwise return to taxpayers or fund such projects as road and bridge repair, improved social services, or small business loan programs.

To keep up with heavy soil and nutrient losses, Palouse farmers must add manufactured fertilizers and herbicides to their crops. These synthetic inputs are usually made by distant companies. Thus soil erosion causes multiple losses in Palouse communities: county funds go to clean-up; individual farms spend money outside of town to replace lost soil nutrients; and lower net profits, reduced by higher costs of production, drain dollars from farm budgets.

Industrial food production and distribution practices also drain household and business income from a town's economy. The average molecule of processed food in the United States travels 1,300 miles before being eaten.⁸ Moving that food costs about \$21 billion annually, or \$344 per family.⁹ For regions that export the same types of food that they import, the price is higher. The agriculture state of Nebraska imports fifty percent, or \$777 million worth, of food annually.¹⁰ It pays for importing the same vegetables that are actually produced in the state, as well as the cost of treating, packaging, and shipping that food.

When producers sell to area groceries, restaurants, and individuals, income and the value of local production stays home. More money in local pockets and banks means more investment and economic options for local enterprise. Verdigre, Nebraska, a rural farming community with a population of 650 and an annual income of \$5 million, spends approximately 15 percent, or \$750,000, of its income on processed food.¹¹ Saving just ten percent of that food bill by buying locally would increase the town's disposable income by \$75,000. That is a lot of economic activity for a town of 650. If the saved dollars change hands at local shops and banks, they multiply again in value for the town. One dollar saved is several dollars earned for towns with a variety of local goods and services.

Local Opportunities

Locally based food supplies do not happen overnight. Farmers need help creating and serving new markets. To do this, communities must consider two things. First, current food markets are structured to take agricultural products away for processing and then send them back into town for sale at stores. Second, the market for standard food products is already full of producers. Alternatives for the survival of small town agriculture include creating incentives for area purchasers to buy local, processing food locally, and switching farm production to special products such as high-value crops.

The Northern Ohio Food Terminal is the distribution point for much of the food sold in that area. A recent study showed that six of thirteen commission houses there market only out-of-state strawberries, tomatoes, and broccoli even though those same commodities are grown in Northern Ohio's Lorain County.¹² To develop markets for local products, students at Ohio's Oberlin College are working with the college's administration to require dining services to buy only locally grown produce. The state is helping the effort by working on a label for all Ohio produce to differentiate it from imported produce and make it easier for the college and other institutions to make good on their promises to buy local. Meeting purchaser needs and developing appropriate incentives are ways community groups can build local markets.

Local Purchases Multiply Dollar Value

Mr. Farmer earns money selling vegetables at the local farmers' market ...



Then the bank has funds to make a construction loan to the farmers' market.



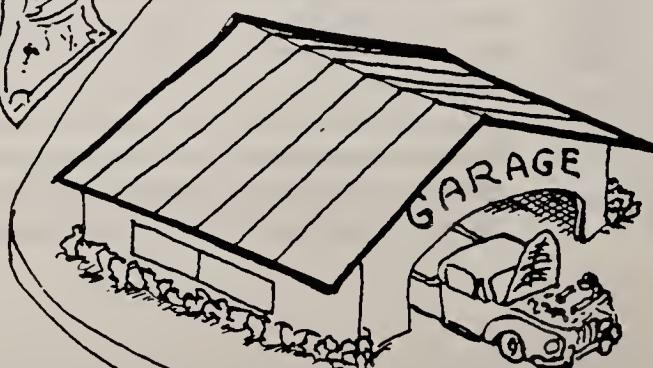
If he buys supplies from out of town, then his dollars leave the local economy immediately ...



But if he buys fertilizer from his neighbor, Sandy ...



If Hal deposits his savings in a community reinvestment account at the local bank, ...



Then Sandy might have her car repaired at Hal's Garage ...

New Markets

New markets are another source of opportunity for local agriculture. By offering something unique, food producers can make their own markets or tap into market niches that larger, less flexible producers cannot satisfy. Organic food products are the best example of how farmers have changed their methods to reap the benefits of the consumer's taste for safe, nutritious food. In contrast, many standard crops are genetically engineered and chemically treated to withstand days, sometimes weeks, of shipping and handling. Farmers who have switched from using herbicides, pesticides, and antibiotics to raise their crops and livestock are cutting costs in addition to restoring the natural quality of their land and stock. The demand for natural food products is high. In a 1989 Harris Poll, 84 percent of those consumers surveyed said they would rather buy organically grown fruits and vegetables.¹³

Market niches and on-farm processing offer agricultural producers further choices for earning their income. Many farmers are raising fish, game birds, ethnic crops like shiitake mushrooms, and out-of-season vegetables in greenhouses. Still others are preserving jam on the farm and selling homemade cider.

Economic Renewal

Communities across the country have started successful homemade agricultural revivals by finding ways to retain agricultural income, substitute local goods for imported products, and develop markets for local production. In Nashville, Tennessee, one group convinced area churches to allow farmers to sell fruits and vegetables on church parking lots one day each week. Circulating from one neighborhood to the next, these infant farmers' markets grew into the citywide Nashville Farmers' Markets. Other communities have started municipal leaf and sewage composting programs that generate affordable, natural fertilizer for farmers. Still others have set up information sharing and small loan programs for new farm enterprises. Read about scores of stories like these in the *Food and Agriculture Casebook*.

Farming communities cannot become more self-reliant by continuing to compete with an industrial food system. They have to farm differently, offer new products for sale, and put local resources to innovative

use. Rural towns are home to generations, traditions, wildlife, and new ideas. They have diverse characters and do not belong on the assembly line. If small town residents want to maintain their agricultural economies, they must lessen their dependence on outside factors.

Just as household vegetable gardens help keep a family's budget options open, self-reliant communities have the capacity to provide for themselves, as well as trade with other communities. The more self-reliant a town becomes, the more the value of local land and labor stays in the community. With these greater assets, small towns develop strength and a wealth of options.

ENDNOTES

¹ National Research Council, *Alternative Agriculture* (Washington DC, National Academy Press, 1989)

p. 35.

² Ibid.

³ Wisconsin Farmland Conservancy, Box 353, Menomonee WI, 54751.

⁴ Ibid.

⁵ Steve Thompson, "Paying the Price for Erosion", *Idahonian Daily News*, Weekend, June 3 & 4, 1989.

⁶ Ibid.

⁷ Op Cit.

⁸ 1982 *Handbook of Agricultural Charts*, USDA, p. 34.

⁹ *Empty Breadbasket? The Coming Challenge to America's Food Supply and What We Can Do About It*, 1984 Summary Report, The Cornucopia Project of Rodale Press, p. 5.

¹⁰ Steve Burdic, Charles Francis, Doug Simon, *Nebraska Energy Efficient Food Marketing Guidebook to Alternative Crops Production, Processing, Marketing*, Nebraska Energy Office, Small Farm Action Group, Inc., February, 1987.

¹¹ Comments of Skip Laitner, Chief, Research Division, Nebraska Energy Office, to the Midwest Recycling Coalition, Fifth Annual Meeting, 23 October 1986, Omaha, Nebraska.

¹² Barbara Drake and Randall James, *Marketing of Select Fresh Agricultural Products in the Cleveland, Ohio, Metropolitan Area* November, 1987, p.8.

¹³ "America Wants Organic: Organic Gardening Exclusive Harris Poll," 20 March 1989 (Louis Harris and Associates, Inc.; nationwide survey based on 1,250 telephone interviews between 9 and 23 November 1988; sampling error is plus or minus 3 percentage points)

Economic Renewal Principles

The *Food and Agriculture Workbook* is structured around four Economic Renewal Principles—*Plug the Leaks, Support Existing Business, Encourage New Enterprise, and Recruit Compatible Business*. These principles are the fundamental elements of economic renewal because communities that look first to their own resources, skills, and unique opportunities find out that they themselves hold the keys to their economic engines. Towns can start their engines and travel down the road of markets, finance, and public services long before government or industry comes along with a tank of gas. There are many important factors of economic activity, including government and industry but towns that wait for outside answers may stall or even die.

The *Food and Agriculture Workbook* is a tool for you to take apart your economic engine and rebuild it based on the four principles. Sealing a gasket here, supporting an axle there — all these will give you and your neighbors a more reliable economic engine.

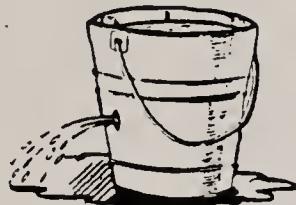
Each of the Principles builds on the next. For example, initiating economic development projects that fulfill the objective of Principle #1—*plug the leaks*—helps support existing businesses, which is Principle #2. You may find that you come up with projects that encompass more than one Principle. Great! The key is to seek out those projects that meet your town's unique needs.

Some of the projects you select may simply be the refinement of ideas that people have talked about for years. Other projects may grow out of particular conditions that you identify in the Economic Renewal workshops.

Read the discussion of the four Economic Renewal Principles on the next page and think about their relation to your local agricultural economy. As you go through the workshop process, refer back to these explanations to remind yourself of how all your economy's parts are interconnected.

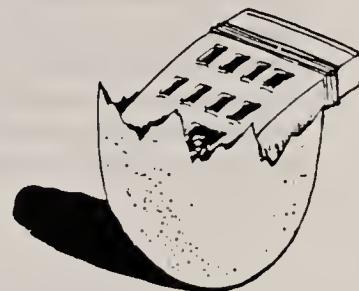
Principle #1 Plug the Leaks

Prevent the unnecessary leakage of dollars from your community. If many of your community's food purchases are made outside of town or if local growers have to buy supplies from other areas, then you are losing money. Dollars spent outside of town could just as easily change hands in town if the community identifies and develops those markets. A study by Ohio's Oberlin College has shown that one dollar spent on food and agriculture generates as much as \$1.94 to \$3.28 more business for the area's agricultural economy. Inefficient use of natural resources, too, can drain your economy. By investigating ways to use your community's own resources more effectively, you can save soil and dollars.



Principle #3 Encourage New Enterprise

Promote the start-up of local businesses. Most new jobs in the United States are created by small, independent companies. However, a new business's first five years of life are risky. Identifying unique enterprise opportunities is one way to start successful local businesses.



Different crops and farming practices, local farm supply stores, and new farm products — from pickles to patio furniture — are just a few of the options you may identify by taking stock of your community's potential. If you encourage this potential with such things as information and investment, you can spur new business and build a supportive environment that keeps promising new ventures alive.

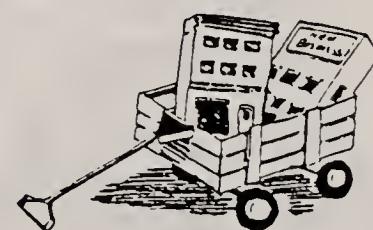
Principle #2 Support Existing Business

Strengthen the local economy by supporting, encouraging, and investing in existing enterprise. Helping local businesses stay in town, and perhaps expand, generates a high return in terms of jobs, income, and new customers for all businesses in town. In addition, the farmers, suppliers, processors, and other enterprises already in place are part of life in your town. The local economy is based on existing skills, resource supplies, and other ingredients. Improving this existing economic base preserves and creates income, generates greater prosperity, and keeps "home" in your hometown.



Principle #4 Recruit Compatible Business

Recruit businesses that will help your community achieve its goals. With careful and selective business recruitment you can find those firms capable of working with community members and taking advantage of the needs and opportunities you have identified. New companies can bring in outside finances, economies of scale, technical expertise, and participation in national and international markets. In addition, if your community plugs the leaks, supports existing business, and encourages new enterprise, new businesses may come knocking on your door.



Food and Agriculture Factors

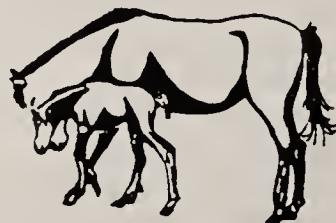
You will use six factors to examine the condition of your local food supply and agricultural economy. These factors—*natural resources and production inputs, human and organizational resources, government, infrastructure, access to capital, and markets*—have a significant effect on food and agriculture conditions. The importance of each is described below.

Natural Resources and Production Inputs

Definition: This factor includes the quality, cost, and availability of such ingredients of agricultural production as:

- ❖ Farmland, water, and energy;
- ❖ Machinery, implements, and buildings;
- ❖ Fertilizer, feed, and garden supplies;
- ❖ Climate and crop varieties.

Importance: In order for farmers to raise crops and livestock, appropriate natural conditions must exist and necessary production inputs must be available. Reliable and economical sources of feed, suitable farming implements, fertile soil, clean and abundant water, and affordable farmland are critical to agricultural production. If you evaluate the quality, cost, and availability of natural resources and production inputs, you can determine how to make the best use of what your community has or find ways to obtain the supplies you need.



Human and Organizational Resources

Definition: This factor includes the skills, education, size, and diversity of a town's population. Among the groups vital to a region's food and agricultural system are:

- ❖ Volunteers, schools, churches, and other organizations willing to lend time and facilities;
- ❖ Artisans and other skilled individuals;
- ❖ Farmers, extension agents, and other professionals with technical information and contacts;
- ❖ Long-time residents with their knowledge of the community's past.

Importance: It takes more than money and markets to keep a community alive. People have farming skills and knowledge. Organizations have communication networks and financial resources. And institutions have work space and educational programs. Including these in your analysis will broaden agriculture's horizon's and make the best use of all the human skills and organizational resources in your area.

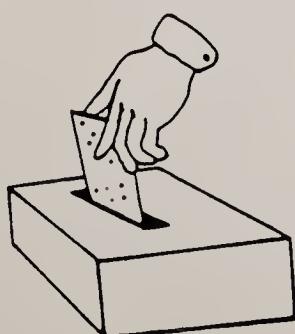


Government

Definition: Governmental policies and regulations bear directly on the conduct of business and the practice of agriculture. They include:

- ❖ Zoning ordinances,
- ❖ Health and safety regulations,
- ❖ Interstate commerce legislation,
- ❖ Farm price support programs,
- ❖ Public land and buildings.

Importance: Knowledge of government's influence on a community's public life can help a town assess the impact of certain laws and help residents comply with and benefit from them. Many state and local governments, for instance, require home canners to use certain types of equipment and procedures if their preserves are to be sold to the public. Regulation equipment, however, is costly. Knowing about such requirements in advance can help local entrepreneurs make appropriate business plans. In addition, a community that is aware of local needs and realities, can encourage government to take action that promotes town goals.



Infrastructure

Definition: Infrastructure is the network of public facilities and services that provide for social interaction, transportation, communication, and commerce. Among items that link farmers, grocers, schools, and other parts of the community are:

- ❖ Roads and bridges,
- ❖ Public utilities like water and energy,
- ❖ Fire and disaster protection,
- ❖ Education and health care,
- ❖ Irrigation systems and crop storage facilities.

Importance: A healthy infrastructure is critical to maintaining and strengthening an agriculture-based rural economy. Reliable roads, bridges, and rail lines are literally lifelines for farmers. Essential services such as fire protection insure agricultural producers against unnecessary disasters that could occur if a town had no firetrucks to send to an emergency. However, infrastructure is expensive. When it comes to improving or adding to infrastructure, information from citizens about needs and opportunities helps local governments make the best use of local revenue.



Access To Capital

Definition: The flow of money into, out of, and around your local economy determines the amount and cost of money available to individuals and existing or new local enterprise. This factor includes consideration of:

- ❖ Where local individuals and banks invest money,
- ❖ Lending practices and requirements of local banks,
- ❖ The range of lenders locally (credit unions, community loan funds, religious and civic organizations),
- ❖ Financial needs of borrowers.

Importance: It's an old saying that's worth repeating: "It takes money to make money." And it takes investment to stimulate economic activity in a town. That means local people must have access to capital — the financial seed that grows, with the right cultivation, to feed, clothe, and house a healthy community. Educating bankers about the needs and opportunities for local investment in agriculture, helping borrowers qualify for loans, and raising revenue for community projects are some of the ways local residents can redirect the flow of money in their region. For more information about "Access to Capital," you may wish to refer to the ER publication — *Financing Economic Renewal Projects*.

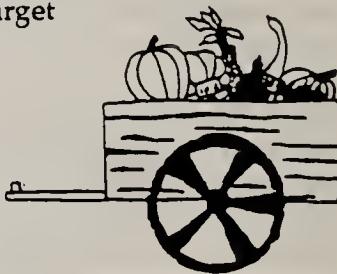


Markets

Definition: We all know that goods and services are exchanged through the market and that each of us are producers and consumers at different times. In addition to producing food, for instance, farmers also buy machinery and seeds. Consumers buy food but also make pies and pasta. Market conditions and opportunities are as varied as the producers and consumers in a community. Examples include:

- ❖ Roadside farm stands, U-pick operations, restaurants, and farmers' markets;
- ❖ Livestock auctions and bulk food purchasers;
- ❖ Farm supply stores, fertilizer distributors, and implement dealers;
- ❖ Food processors and wholesalers.

Importance: It is up to producers and consumers to see that supply and demand meet at the marketplace. By identifying new markets or opportunities in existing markets, rural communities can diversify and target local production and reassert their place in the local, regional, and international exchange of goods and services.





*Analyzing Food and
Agriculture Factors*

❖ *III. Analyzing Food and Agriculture Factors* ❖

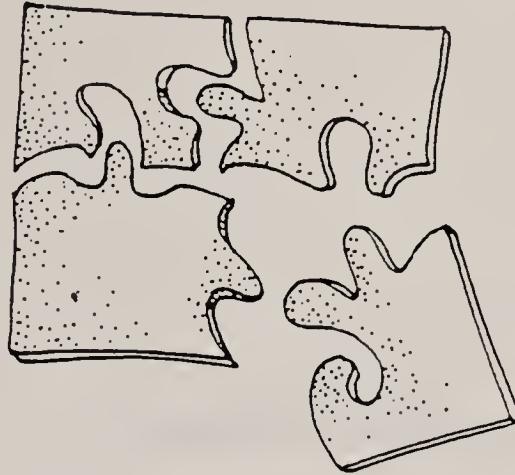
In Workshop A, you will look at your food supply and agricultural economy through the lenses of six factors: *natural resources and production inputs, human and organizational resources, government, infrastructure, access to capital, and markets.*

Understanding how these factors influence local conditions will improve the aim of your economic renewal efforts. Because each community is different, analyzing yours with these factors will highlight the uniqueness of your situation.

To organize your investigation, we have developed a framework of analysis that literally "frames" problems, needs, assets, and windows of opportunity in a four-window box (see diagram and definitions on the next page).

Use Worksheet A1 to list the problems, needs, assets, and windows of opportunities your factor group identifies. Use Worksheet A2 to list the things you need to know and the people you need to contact in order to make your analysis most complete and useful.





Analysis Framework

The framework for your analysis of food and agriculture factors is defined below. For each factor, workshop groups will identify problems, needs, assets, and windows of opportunity. Later workshops will build on the information generated with this framework.

PROBLEMS

Problems include conditions, attitudes, and practices that make regionally based food supplies and family-style farming difficult.

ASSETS

People's skills, town specialties, farm history—all these are assets that make a region unique. They are useful attributes and resources to cultivate.

NEEDS

Needs are requirements for economic activity, as in "We have to have this in order to do that." Simple or complex, you must identify needs in order to grasp *how* to get what you want.

WINDOWS OF OPPORTUNITY

Now is the time. Current events, conditions, and changes in the community may present perishable opportunities for development.

Example—Town of Arnold

Before you start your own factor analysis, take a look at how the town of Arnold completed a four-window analysis for the food and agriculture factor "Markets."

- Factor #1—Natural Resources & Production Inputs
- Factor #2—Human & Organizational Resources
- Factor #3—Government
- Factor #4—Infrastructure
- Factor #5—Access to Capital
- Factor #6—Markets

PROBLEMS

- Our agricultural economy is based on a small number of cash crops.
- The school district doesn't buy local food products.
- Organic farmers have to import natural fertilizer.
- Most people commute to work in a larger town and buy their food there, too.

ASSETS

- There are quite a few restaurants in the area.
- Local civic clubs are active and work together.
- The county fair is a popular event in the summer.
- Most farms here are small and have been handed down through generations.

NEEDS

- We need a local farm supply store.
- We need a market for local fruits and vegetables.
- We need to market our crops directly to restaurants and schools.

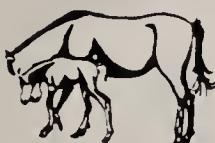
WINDOWS OF OPPORTUNITY

- Some dairy farms have excess manure and crop wastes.
- A retired farmer has been doing custom machine repair and alteration for years.
- The community college has small business seminars.
- The ice skating rink next to the highway is for sale.

Which Group For Me?

You may have already decided on the factor you would like to address in the workshop, but here are some suggestions about who local experts might be and how their experience and background might best be used:

Natural Resources & Production Inputs



- Farmers
- Conservation Agents
- Physical Scientists
- Environmentalists
- Hardware Dealers
- Mechanics



Infrastructure

- Utilities Staff
- Builders
- School Officials
- Health Care Professionals
- Paramedics
- Community Volunteers

Human & Organizational Resources



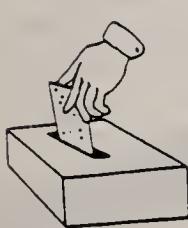
- Educators
- Students
- Labor Groups
- Churches
- Non-profit Organizations



Access to Capital

- Bankers
- Business Developers
- Accountants
- Social Services Staff
- Construction Contractors
- Entrepreneurs
- Homeowners and Renters

Government



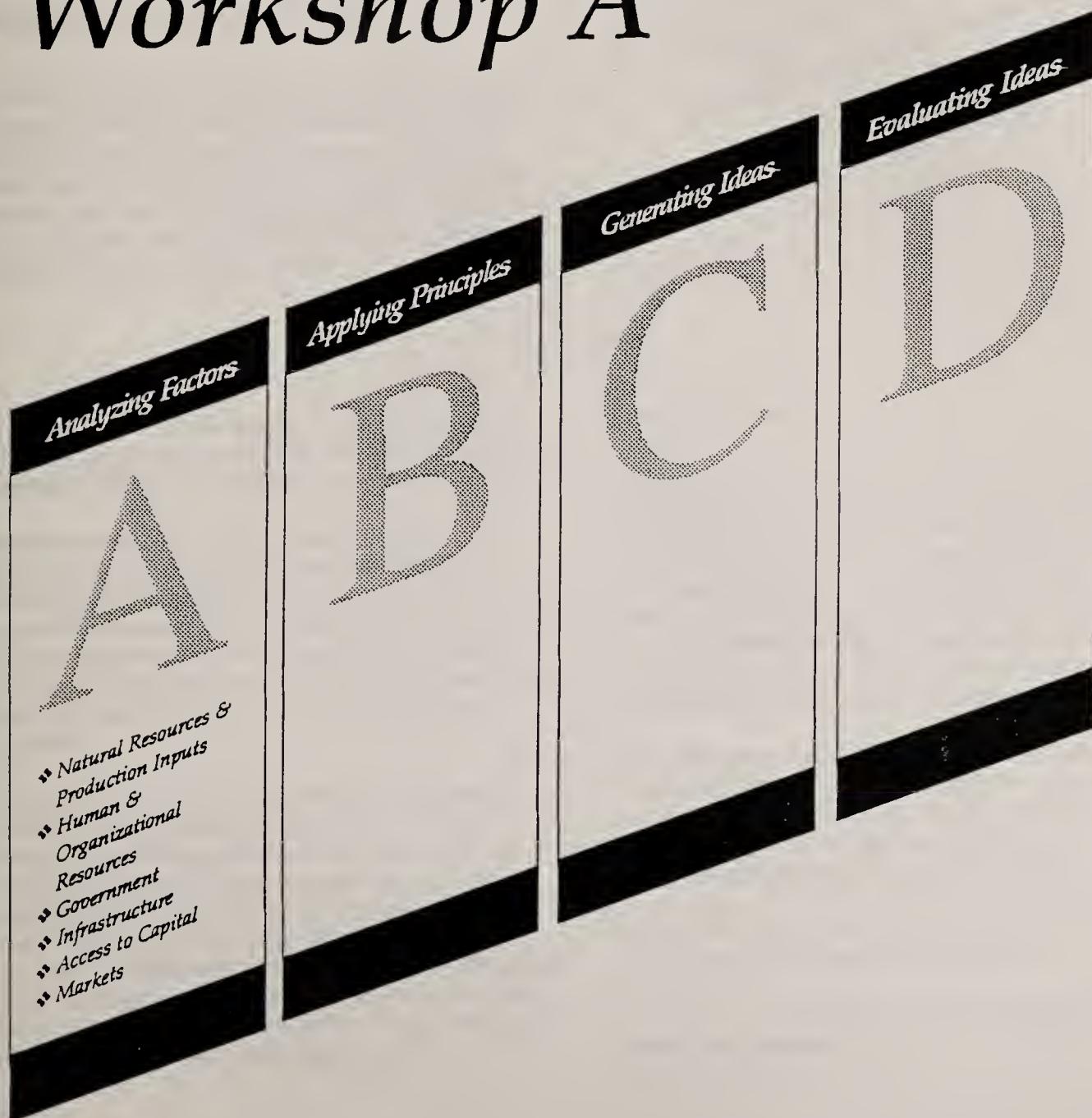
- Elected Officials
- Civil Servants
- Long-time Residents
- Newcomers
- Newspaper Reporters
- Attorneys
- Civic Groups and Representatives



Markets

- Grocers
- Truckdrivers
- Advertisers
- Business Associations
- Restaurant Managers

Workshop A



WORKSHOP A

Analyzing Factors

Sample Workshop Agenda and Directions

This sample agenda will help you develop an appropriate plan for your community's meeting. Develop a schedule for the workshop that is comfortable for participants and accommodates the group's enthusiasm and stamina. Approximate times for each agenda item have been noted in parentheses. Total workshop time need not exceed three hours.

Workshop Goal
Look at your economy through
the lenses of six factors to find local
problems, needs, assets, and
windows of opportunity.

AGENDA

Introduction — (15 minutes) The workshop facilitator discusses the desired workshop outcome, reviews the worksheet format, and answers questions.

Small Groups — (5 minutes) Break into groups according to the six food and agriculture factors: *natural resources and production inputs, human and organizational resources, government, infrastructure, access to capital, and markets*. Each group should have no more than 12 participants. If necessary, you can form more than one group for each factor. Introduce yourselves.

Worksheet A1 — Analyzing Factors — (45 minutes to one hour) In the pages that follow, find the blank worksheet and the appropriate factor summary for your group. Read through the summary first, then complete the worksheet. The summaries will help groups frame their discussion of factors. As you complete Worksheet A1, you may think of additional information you need. Make note of these thoughts in the margin so you can come back to them when you fill out Worksheet A2, "Need to Know."

Break — (10 minutes)

Worksheet A2 — "Need to Know" — (20-30 minutes) Identify any other information you need to know to understand how the six factors affect your community's food supply and agricultural economy. Identify participants who have access to particular information or who are willing to look for it. These people will prepare summaries of this information for Workshop B. Appendix 1: Food and Agriculture Profile is another tool you can use to find useful information.

Group Reports — (3-5 minutes per group) Each group reports its Worksheet A1 findings to the rest of the group in brief. The facilitator collects the six worksheets and will make copies available to each Factor Group's participants at the next workshop.

Discussion — (20 minutes) The facilitator leads a discussion of the Factor Group findings.

Next Steps — (10 minutes) The workshop facilitator reviews the homework assignment and structure of the next workshop.

On Your Own — (anytime) Workshop participants may want to spend more time discussing food and agriculture factors and group findings. Informal get-togethers — parties, dinners, dances — are good ways of continuing the economic renewal discussion and keeping the process fun and friendly.

WORKSHEET A1

Analyzing Factors

Use this worksheet to record your analysis of how each factor affects your community's food supply and agricultural economy. The factor summary sheets on the following pages include questions and case studies, which illustrate in more detail each factor's influence.

Remember that anything you're thinking is relevant to this discussion, if only to keep your mind open to seemingly minor ideas that might turn out to be of major importance. If you need more room to record your group's responses, use the four-window box on the next page.



- Factor #1—Natural Resources & Production Inputs
- Factor #2—Human & Organizational Resources
- Factor #3—Government
- Factor #4—Infrastructure
- Factor #5—Access to Capital
- Factor #6—Markets

PROBLEMS

ASSETS

NEEDS

WINDOWS OF OPPORTUNITY

WORKSHEET A1

Analyzing Factors

(continued)



- Factor #1—Natural Resources & Production Inputs
- Factor #2—Human & Organizational Resources
- Factor #3—Government
- Factor #4—Infrastructure
- Factor #5—Access to Capital
- Factor #6—Markets

PROBLEMS

ASSETS

NEEDS

WINDOWS OF OPPORTUNITY

Factor #1

Natural Resources & Production Inputs

Farmland, clean water, appropriate equipment, and the availability of food processing supplies are among the natural resources and production inputs needed to support an agricultural economy and supply local food demand. They are also the places where new cost-saving farming practices can be tried and where local supply of some formerly imported inputs can generate new income for a town's economy. Taking stock of the supplies you need and the condition of the resources you work with is the first step to using your land and materials most efficiently and producing food economically.

Whatever you produce, you use what is at hand or what you can apply to the natural conditions around you. You need different sorts of supplies and resources to get the results you want. You need a hoe

and a good plot of soil to start your garden. You need supplies like jars, spices, and a stove or freezer if you preserve your food. Market gardeners need vehicles to haul their produce to restaurants or farmers' markets.

There are any number of input combinations that adapt tools and natural resources to meet your production needs. The best combinations are those that keep your costs down and preserve your materials for future work. In order to make a living, you make the best possible use of the inputs you have. Efficiency and resourcefulness are the practices that keep soil fertile and put old barns to new uses. Efficient and resourceful communities make the most of what they have in order to stand on solid economic ground.

Questions to ask yourself as you fill in the worksheet:

- ❖ How many farms operate in your area?
- ❖ What are farms in your area like (size, practices)?
- ❖ What do local farmers produce?
- ❖ What happens to locally produced food?
- ❖ How much land in your county is cultivated? Who owns it?
- ❖ What are the growing conditions in your region (soil fertility, water conditions, climate)?
- ❖ Do many local farms irrigate? What is their water source?
- ❖ How far is the nearest town or city of 50,000 people or more? Does this town obtain raw materials from your community?
- ❖ Do local growers have easy access to production inputs (fertilizers, machinery, fuel, facilities for canning)?
- ❖ Is there a supply of excess heat in your area to warm water for fish farming or to heat greenhouses?
- ❖ Are there enough agricultural suppliers and service centers located near your town?
- ❖ What inputs do growers and processors import from outside of town?
- ❖ How much trading and repairing of equipment takes place locally in comparison with new purchases? What impact does re-use have on local farmers' bottom line?
- ❖ Are alternative agricultural inputs readily available (manure, municipal compost, and waste-treatment sludge)?
- ❖ Are any synthetic or organic agricultural inputs produced locally?
- ❖ What do local people produce for themselves that might be mass produced and marketed? Do they use some material or practice that is unique to your area?
- ❖ What changes in production practices and facilities do growers and processors need in order to make and sell food products that the community imports?
- ❖ What pressures, if any, are there to take land out of agricultural production? How have land prices changed in the last 20 years?

Some Innovative Resource Uses:

Cutting down on feed costs

Animals have to eat, and farmers have to feed them. That's what it comes down to at the sale barn. Can you sell the animal for enough money to pay for feed and still make a profit? Cutting down on livestock's hay and grain is one way to fatten up net profit. But how do you do that without raising a skinny steer? **Rotational grazing** is one way farmers across the country are developing self-sufficiency in livestock production. Based on practices of New Zealand dairy farmers, rotational grazing systems manage farmland grasses and livestock feeding such that farms and ranches develop the capacity to raise cattle on the farm's own forage.

Luane Schroeder raises some 50-head of cattle on her 130-acre **Ledgerock Farm** in Newton County, Arkansas, with a rotational grazing arrangement that cuts out feed costs and limits veterinarian visits. As she moves her cattle from one 1-1/2 acre plot to the next, they serve as a combination "mower, baler, bushhog, composter, fertilizer spreader, and no-till planter." The cows harvest the best of the grass in each area, leaving the immature forage to grow and plenty of nutrients in the form of partially composted manure and liquid nitrogen behind to help it along. Movable electric fences allow Schroeder to turn her cattle easily from one grazing area to the next. She does this on a 24-hour basis, which limits the amount of stomping on each plot, keeps pest populations on the run, and saves the remaining forage until the cattle return. In the winter, the cattle feed on thirty acres of hay that has been left standing for the harsher season. The rest of the farm is left alone to build up nutrients for spring.



Homemade Equipment Turns a Profit

If available equipment doesn't suit the field work, farmers have been known to rig up a new assembly that fits their farming practice better. And if one farmer develops a more appropriate tool, it's likely that another wishes the improvement were available. That's what Vincent Kramper of Dakota City, Nebraska, found out when he invented his **Soybean Topper** — a 10-foot wide weed clipper attached to a 3-point hitch that chops off volunteer corn and tall weeds above the beans and does away with the need to use chemical herbicides. In 1984, Kramper invested \$500 in his first topper. Now he sells them for \$1,100 each. Read about other farm machine innovations in *New Farm* magazine.

Future Farmland

In the United States, farmland is increasingly being converted to non-farm uses or concentrated in large farm/corporate ownership. Paved land can't grow food and absentee ownership packs profits off to other places. To keep farmers farming, various groups have initiated projects to preserve farmland in the community and, with it, the diversity of the local population, food supply, and economic base. The **Wisconsin Farmland Conservancy** organizes community land trusts (CLT's) in rural communities to buy and hold farmland in trusts that preserve its use for future local farming generations while allowing individual farmers to own their buildings, equipment, and farming enterprises. In the case of a third-generation dairy farmer, who in 1988 faced foreclosure by the Farm Credit Service, the Wisconsin Farmland Conservancy was able to buy the land and keep the farm family on it with a lifetime lease. As a CLT, the farm is operated under two easements. One easement removes non-agricultural development rights, requiring the farm to remain active. The second easement lays out broadly accepted land stewardship and soil conservation practices to keep the land in good condition. The Wisconsin Farmland Conservancy works to finance and organize CLTs in the state, which allow beginning and low-equity family farmers to share resources and strengthen their communities.

FACTOR SUMMARY

Factor #2

Human & Organizational Resources

Everyone knows about the old-fashioned barnraising, when all hands in the community put up a new barn in one day. It was an event for all; and each person knew that when their turn came, the whole town would show up for their barnraising, too. The spirit that raises barns includes an appreciation for the skills of everyone who shows up to work. Young or old, experienced or not, everyone is invited. That same spirit is essential for creative and motivated economic renewal.

Most development efforts focus on the skills and energy of specialists, officials, and traditional leaders. Their contribution to the community is certainly

necessary but not exclusive. Churches, schools, and civic clubs have facilities and volunteers for town projects; seniors, students, and artists offer an array of skills and ideas that increase and enhance a community's options. Their perspectives are useful to any economic development effort. Their skills and grassroots view of the town are vital resources for innovative projects.

As you consider Factor #2, think about how combining your community's abundant skills and talents can cut the production time, cost, and risk of new ventures. You don't have to hire a special crew; you and your neighbors can raise your community's barn.

Questions to ask yourself as you fill in the worksheet:

- ❖ What proportion of your town's population earns its income from the food and agriculture sectors of the local economy (grocery employees, implement dealers, farmers, processors)?
- ❖ Do any local residents have experience or expertise in such areas as integrated pest management, marketing, organic gardening, composting, or computer programming?
- ❖ What farming skills exist in your town? Who has them? How are the skills being passed on to others?
- ❖ What food processing skills exist in your town? Who has them? How are the skills being passed on to others?
- ❖ Are there any local bulk food purchasers or food wholesalers?
- ❖ Who are the local brokers for grain and other farm products?
- ❖ Do local grocers and human service organizations participate in food gleaning programs for low-income residents?
- ❖ Is there a Meals-on-Wheels program, Food Bank, or community garden in your community? Who participates?
- ❖ Would local grocers be willing to buy fresh produce from farmers?
- ❖ Can food and agriculture businesses find skilled employees?
- ❖ What off-farm jobs are available locally? How do they influence family farming?
- ❖ Are there any local producer, consumer, or marketing cooperatives?
- ❖ Do local schools play a role in encouraging potential entrepreneurs, supporting newly formed enterprises, or training workers?
- ❖ Where does the school district buy food? Do area schools grow any of their own food?
- ❖ Are training opportunities for food production and marketing available at community colleges?
- ❖ Do local schools or other institutions offer their facilities for economic uses (canning, farmers' markets, labeling)?
- ❖ How accessible is the local Cooperative Extension Office? How do local farmers, processors, individuals use it?
- ❖ What roles do 4-H, FFA, and Junior Achievement play in your town?
- ❖ Do other community programs exist to teach gardening, food preserving, and general nutrition?
- ❖ Are women and other minorities encouraged to start up and own their own businesses?
- ❖ Do local people volunteer for various projects? How active are civic groups and churches? Do they work together?

Some Human Economic Alternatives



A Town and its Teachers

When local residents and students pool their efforts for community projects, it benefits everyone. The **Agricultural Revitalization Program** at Iowa's Southwestern Community College is a case in point. In 1985, when the community college started looking for ways to help the ailing farm economy, local bankers, farmers, implement dealers, and others put their heads together to help focus the college's economic development work. The Agricultural Revitalization Program is the result of their efforts to find new and reliable markets for local producers. Using the combined resources of college and community, this program surveys farmers' on their production interests, teaches practical business decision-making skills, develops new markets, and monitors the progress of each new venture. Among the successful projects generated by the program and its participants are expanded markets for alfalfa hay, a hay cooperative, and contracts for feeder pig production. To finance new ventures, program coordinators plan to start a loan fund.

Bringing Grassroots Experts Together

A little information can go a long way when you're trying to make a decision. But expert advice is costly, and practical hints are usually scattered along with the people and work that generate them. Gathering local knowledge and making it available and affordable is a challenge that faces any community trying to pool its human resources. Here's how two groups brought hundreds of people and skills together:

In 1983, Washington State University Cooperative Extension agent Mike Hackett decided to revise Extension's successful Master Gardener Program to help livestock producers in the Puget Sound and Northwest Washington area. In exchange for in-depth training about livestock production, participants in the **Livestock Master Program** volunteer for up to 80 hours of service helping local farmers with livestock questions. Ninety-five percent of the trainees are themselves farmers who then make themselves available to their neighbors. Livestock masters are trained to handle an array of questions, from general livestock biology to land use practices. This program provides informed advice at no cost to small and part-time farmers and creates a network of farmers that can work and consult together.

Many farmers are switching to sustainable farming practices to conserve their soil and become less dependent on chemical inputs. To help farmers in the Northern Rockies and Plains keep up with changes in this field, Montana's Alternative Energy Resources Organization (AERO), the Montana Farmers' Union, and the Northern Plains Resources Council joined together to create *AERO's Guide to Sustainable Agriculture in the Plains*. With \$100,000 worth of grants and other support, the groups surveyed 188 farmers in seven U.S. states and two Canadian provinces, recorded the data on computer, and distributed over 12,000 directories to farmers and organizations in the region. With names, phone numbers, and reports on specific sustainable agriculture practices, the Guide facilitates on-the-job answers to farmers' questions and, most often, farmer-to-farmer consultation and site visits.

FACTOR SUMMARY

Factor #3

Government

Government. Big or small, it's yours. Local government sets the policies, programs, penalties, and priorities that allocate a community's resources and manage its activity. Government can encourage enterprise with enabling laws, promote innovation with education and technical assistance, and support initiative with revenue and other resources. To do this efficiently, effectively, and equitably, government needs public participation. It needs your knowledge of the community. Zoning laws, commercial regulations, public expenditures, taxation, and other governmental policies should reflect the needs, resources, and trends of the local economy.

Some governmental regulations prohibit the use of livestock in agriculture, for instance. Yet animals can be just as important to crops as crops are to animals. Communities can recognize the need for livestock in sustainable agricultural systems, promote it, and still keep concern for animal health and welfare a priority.

Questions to ask yourself as you fill in the worksheet:

- ❖ How do local, state, or federal regulations affect new farm enterprises, such as roadside stands, game animal farms, and fruit and vegetable processing?
- ❖ Do any policies support local growers (such as requirements that schools and other institutions buy local if possible)?
- ❖ How do government regulations and policies affect farming practices and decisions?
- ❖ How can you help area food processing enterprises meet health specifications and keep their businesses competitive?
- ❖ How do county property taxes affect agriculture?
- ❖ Are local property taxes based on the agricultural value of the land?
- ❖ What community economic development projects has local government undertaken?
- ❖ How is your local government structured? How and when does the public participate in decision-making?
- ❖ What are your local zoning and building codes like? What enterprises and activities do they encourage?
- ❖ What sorts of political coalitions and other groups are active in your community? What are their issues? Do they work together?
- ❖ Do new enterprises face a lot of red tape? Is it costly?
- ❖ What public services are available to help new businesses learn the ropes?
- ❖ Are elected officials responsive to and aware of agricultural conditions and potential?
- ❖ Are local economic development efforts focused on recruitment, homegrown economic development, or both?
- ❖ What sort of relationship does your county have with neighboring towns and counties? Have groups of municipal governments undertaken joint projects?
- ❖ What are some problems, needs, assets, and windows of opportunity that your local government shares with neighboring counties and towns?
- ❖ Is your state competing with neighboring states for economic development? How could state governments work together?

Some Government Initiatives

Healthy Food and People

The Massachusetts Farmers' Market Coupon Program is a prime example of how government's social and economic renewal goals can be combined to make the best use of existing resources and satisfy a variety of needs. Concerned with both the health of its citizens and its economy, Massachusetts decided to start a farmers' market coupon program. The program provides state social service agencies with farmers' market coupons to distribute to their clients. When the coupons are redeemed at the farmers' markets, local growers earn income and low-income and elderly residents of the state can afford to buy fresh, nutritious fruits and vegetables. This combined food and farm assistance program directs social service money to the purchase of locally grown produce instead of the imported foodstuffs found on most grocery store shelves.

Finding the Farm's Finest

The Best of Missouri Farms, a direct marketing mail-order catalog, features the products and stories of Missouri farm families in its pages. You can order sun-ripened fruit, natural herbs and spices, gourmet popcorn, live fowl, barbecue sauce, country cured hams, goat-milk soaps, beeswax candles, and many more homemade Missouri items from the annual publication, produced by the University of Missouri-Columbia. The farm crisis of the mid-1980s prompted the university's extension and agriculture departments to develop the catalog as a tool for Missouri's small farmers to sell their specialty products directly to consumers. Almost 80 percent of Missouri farms are classified as small, with less than \$40,000 in annual sales. The Best of Missouri Farms catalog is a state and university promotion effort that has successfully opened new doors for many of Missouri's hometown enterprises.

Taking the Market to Town

Local agricultural producers stand to gain big if they can coordinate their efforts to supply nearby metropolitan areas with fresh food. In Alabama, the state department of agriculture and industries took an active role in creating facilities for its farmers to tap into the \$20 million Montgomery food market.

With 28 acres of donated land and \$4.1 million in state loans and grants, the agency built the **Montgomery State Farmers' Market**. Convenient for both farmers and consumers, the market is open year-round and can accommodate most any seller. The facility has a truckers' shed, which allows trucks of any size to back into spaces and sell produce directly from the vehicle; a retail building, which houses long-term vendors under the market roof; and a wholesale building, which operates much like a terminal market, where brokers and farmers contract for large quantities of produce. In addition to stretching the metropolitan consumer's food dollar and providing a viable agriculture alternative for farmers at the market, Alabama has included an agriculture education program that gives stipends to farmers willing to try new practices and crops that show profit potential for small farmers. Other farmers can tour these test farms and learn about crop and cultivation alternatives. This, along with consumer outreach programs, indicates Alabama's commitment to keeping agriculture and communities alive and well.



Factor #4

Infrastructure

Infrastructure makes a town. It holds everything together. Public roads, bridges, telephone and electric lines, water supplies, sewage and waste systems, and streetlights make communities more than just a collection of houses. Instead of going it alone, people have historically pooled their resources to provide common necessities and services. Recreational facilities, municipal buildings and equipment, community gardens, and schools are also considered important parts of a healthy community's broad infrastructure.

A sound and reliable infrastructure benefits the community that invests in itself. People like to live in a place where roads are safe and public utilities are convenient. Businesses like to operate where they can produce and market goods and services efficiently. Analyzing a community's infrastructure is important to economic renewal. Existing infrastructure influences what sorts of production can be undertaken. And knowing what your area's infrastructure needs are can help local government make better budget decisions.

Questions to ask yourself as you fill in the worksheet:

- ❖ How is your community's infrastructure unique?
- ❖ How do area growers get their products to market?
- ❖ What elements of the local infrastructure benefit agriculture most?
- ❖ Do all area growers have easy access to necessary utilities?
- ❖ Does the local utility offer energy efficiency programs (night irrigation rates, weatherization, lighting retrofit incentives)?
- ❖ Does the local water board offer efficiency programs?
- ❖ Who uses utilities, roads, and bridges most?
- ❖ What is the condition of your town's infrastructure? Does the condition of infrastructure change from city to county?
- ❖ In the last five years, how has the community invested in its infrastructure? How did local government raise the necessary revenue?
- ❖ Should the community borrow money to make and maintain necessary capital improvements? What is your town's current infrastructure debt?
- ❖ How can municipal workers assist in the design and construction of new infrastructure? If outside expertise is necessary to solve a particular problem, can community residents still be involved?
- ❖ What types of building materials are available locally?
- ❖ What skills are available for infrastructure improvements (construction, masonry, electricians)?
- ❖ How does the cost and condition of infrastructure affect local enterprise and individuals?
- ❖ Are alternative sources of power available (solar, geothermal, wind, water)?
- ❖ Are alternative modes of transportation available (waterways, railroad, public transportation)?
- ❖ What kind of storage facilities are available (warehouses, grain elevators, hay barns)?
- ❖ Do you have a rural electric cooperative? How does it serve its members?
- ❖ Are there facilities nearby that local groups could use? (piers, grain elevators, airports, underground storage spaces)?
- ❖ Is the community trying to attract business that will require the expansion of existing services or facilities? What are they?
- ❖ In what condition is the local building stock?
- ❖ Are some facilities available for public use (farmers' markets, greenhouses, exhibition halls, municipal buildings)?
- ❖ Does your school system attract families and educators?
- ❖ What recreational events or facilities bring people from near and far together?

Some Infrastructure Ideas

Working on the Railroad

When the bridge goes out, everyone is stranded. In the case of rural communities near Dawson, Minnesota, the problem was a 36-mile "abandoned" branch railroad line. In 1980, farmers could only ship their grain by rail one or two days of the week at a snail's pace of three to four miles per hour. Not only did this situation threaten the farmers, who needed reliable railroad service for hauling hopper car loads of their crops to the Pacific Northwest, but it practically shut off business for a large soybean processing plant and several grain elevators and fertilizer plants in the area.

To fix this infrastructure problem, farmers and other shippers in a five-county area of southwestern Minnesota formed AgriRail Inc., to buy, repair, and manage the branch line. With grants and loans from local interests and a five million dollar, interest-free loan from the Minnesota Department of Transportation, AgriRail managed within 1 1/2 years to upgrade the track to Class #1 service with two 54-car loading stations and 50 mph service two to three times per week. With this necessary link to the nation's rail network, the southwestern Minnesota agricultural businesses have regained access to the world.



Knocking on a Small Town's Door

Good water and sewer systems do not have much value on unused property. Likewise, the town of Fruitland, Idaho, did not see much opportunity in the extensive infrastructure of a small parcel of land it had incorporated in the 1970's. When the town started thinking about renewed economic activity, however, it realized the vacant land was actually an incentive it could use to bring new enterprise to the area.

In 1985, Fruitland decided to market this attractive infrastructure addition of extensive water and sewage facilities. A canning factory, a frozen food plant, two trucking terminals, an emergency care facility, and a cherry processing facility liked what they found and settled in town. The vacant land's facilities plus Fruitland's excellent school system were incentives enough for several companies to come knocking on Fruitland's door. Without having to offer tax abatements or other inducements, Fruitland gained the full benefits of compatible business recruitment.

As Utility Rates Vary

Ten North Dakota farmers are saving money by irrigating their cropland at night. With 17 irrigation systems between them, their combined energy demand is quite a load for the local utility. Before switching to nighttime irrigation, they paid a hefty daytime demand surcharge for their intense use of the grid. In 1986, however, the James Valley Electric Cooperative decided to offer the farmers a straight nighttime rate of 3.5 cents per kilowatt hour. By irrigating between 9:30 p.m. and 7:30 a.m., the farmers avoid the demand surcharge and use even less energy and water because night irrigation results in less evaporation of water sprayed. One farmer in the program estimated that he has cut his irrigation bill by 45 percent over previous years.

FACTOR SUMMARY

Factor #5 *Access to Capital*

Access to capital — getting the money you need to develop a product or promote a talent — is a matter of finding out where the money is and convincing whoever has it that your project is workable and worthwhile. There are many sources of capital — banks, foundations, and loan funds to name a few. There are also many ways you can create your own funding mechanism to direct local dollars to specific projects. In any case, educating the funder about your work, educating yourself about the lender's interests, and being specific about how you will use the money and what benefits will result are practical steps of getting capital and enterprise together.

Farming, with its seasonal financial needs, is an enterprise for which access to capital is a constant issue. In addition, agriculture's trend toward larger, capital-intensive farming operations has saddled many U.S. farmers with enormous debt. Agriculture's reliance on outside capital has three side-effects for rural communities: major lenders favor large-scale industrial farming operations, leaving smaller farmers with fewer capital avenues; strict bureaucratic loan terms often leave troubled farmers with no other option than the auction block, creating conditions favorable for wholesale corporate buy-outs and land ownership concentration; interest payments made by local farmers to outside financiers leave the local community forever.

In 1986, U.S. farmers paid a total of \$17 billion in interest payments. That's an average of \$7,655 per farm. If a rural county has, say, 1,800 farms, then farmers in that county spent nearly \$14 million in interest payments in 1986. Most of that money went to corporations in distant cities rather than being reinvested by a local bank in local enterprise. Farming communities must find ways to plug the leakage of capital, support local lenders, and create innovative funding mechanisms that address agriculture's needs and encourage new enterprise.

Finding your community's capital leverage points is the purpose of this exercise. Consider where local capital comes from, where it goes, and why. Identifying capital problems, needs, assets, and windows of opportunity will assist you in your efforts to make sure local monies are available and affordable.



Questions to ask yourself as you fill in the worksheet:

- ❖ Do local banks lend locally?
- ❖ Are area financial institutions locally owned?
- ❖ Are lenders and funders willing to work on unconventional or small projects?
- ❖ How do local borrowers present their loan proposals?
- ❖ How could loans be structured to suit agriculture's special needs?
- ❖ Think about the checks you write regularly. How many of them go out of town?
- ❖ Where do most people in the community bank? Where do most residents deposit their savings?
- ❖ In what other financial instruments do local people invest their money (pension funds, insurance policies, stocks and bonds)?
- ❖ Where does local money invested in pension funds and insurance premiums go? Are the funds re-lent by the institutions that hold them?
- ❖ How convenient are existing financial institutions?
- ❖ Who owns local financial institutions?
- ❖ What incentives do local banks offer (free checking, community reinvestment accounts)?
- ❖ Is there a local credit union? How do members benefit?
- ❖ What are the financial needs of local businesses?
- ❖ Do local banks comply with the federal Community Reinvestment Act?
- ❖ What types of business loans are available in your community? Who gets them?
- ❖ Is capital available for business start-ups? Could these sources be used for establishing new farm enterprises (on-farm food processing, U-pick operations)?
- ❖ What loan terms, rates, and requirements are common?
- ❖ Do lenders offer loans with principal balloon payments? Will lenders restructure loans for borrowers whose financial situations change?
- ❖ What institutions provide capital (churches, schools)?
- ❖ Is capital available through state or regional programs?
- ❖ Does your state have agricultural loan or bond programs?
- ❖ How have agricultural price support programs affected land and loan collateral values?
- ❖ What other sources of capital exist? What are their requirements (community loan funds, non-profit foundations)?
- ❖ Have any local banks failed in the past eight years? Why?
- ❖ What is your community's total agricultural debt? Where are the loans held?
- ❖ Do agricultural cooperatives in your area have loan funds for their members?
- ❖ What types of barter trade take place in your town? How does it help small enterprises?
- ❖ How have tax and support policies affected agricultural and community investment decisions. What, if any, investments have been deferred or abandoned?
- ❖ Does your community, county, or state offer tax breaks for new agricultural businesses?

Some Creative Financing Options

In Support of Agriculture

Getting seeds in the ground and harvesting mature crops are what farmers do best. They can do these things better when there is some way of spreading out the burdens of start-up costs and the risks inherent to a business that relies on the weather. **Community Supported Agriculture** (CSA) is one way growers can finance their operations and consumers can guarantee themselves a season's supply of fresh, organic produce. By selling shares to a percentage of a season's produce, CSA farms generate the up-front capital they need for planting, while securing a market for their future fruits and vegetables. Shareholders receive a regular supply of the produce, which is sorted and packed at the farm.

Invest in Your Favorite Vegetable

Cash flows in and out of our hands as income and expenditures drive our personal budgets. Agriculture budgets are among those influenced by the seasons, with winter being the time when heating bills are high and the corn crib empty. On even the tightest budget, some farmers have to borrow expensive money from banks to make it through the winter months. To help, two roadside farmstand owners and the Self-Help Association for a Regional Economy (SHARE) in Great Barrington, Massachusetts, initiated in 1989 a program that gets cash to the farmers' budgets in the winter and gives consumers discounts on produce in the summer. The **Berkshire Farm Preserve Note** sells for nine dollars in the fall and is redeemable by consumers in the summer for \$10 worth of fresh fruits and vegetables. The notes comprise, in effect, a market-based community farm loan program. It is also a way for local residents to vote for a supply of locally-grown and processed food products.

Lending Where Credit is Due

Getting enough money together to fund new ventures is a task that revolving loan funds across the country are accomplishing with winning style. Their lending targets particular activities such as affordable housing, rural enterprise, and resource conservation. Revolving loan funds make capital available to community development efforts. Those who lend money to revolving loan funds — churches, individuals, foundations, and others — do so because they want to see their money go directly to locally based projects. Initial loans from RLFs help initiatives get started and build credit histories that leverage bank support down the line. Revolving loan funds can package loans that accommodate the needs of borrowers while maintaining lending standards that insure the security and return of the money to the funds' lenders. Like any financial institution, loan funds pay interest to lenders and maintain reserves to cover any potential losses. When borrowers repay their loans, the money goes back into the fund and is re-lent to other small businesses and community renewal ventures.

In 1987, the Ozark Organic Growers Association began developing projects to promote small farm viability in Arkansas, Missouri, and Oklahoma. **Financing Ozark Rural Growth** (FORGE) is one result of their efforts. This community loan fund makes loans to organic growers and related businesses. In 1988, the Bank of Fayetteville, Arkansas, agreed to serve as FORGE's host institution. The bank provides accounting services for the FORGE savings and credit fund accounts, while a FORGE review committee actually makes the loans. FORGE borrowers include Full Circle Farm, with a \$5,000 loan to build an ice machine and hydro-cooler; Heart of the Mountain Farm, with a loan to purchase an irrigation system; and the Ozark Organic Growers Association, with a loan to buy a semi-truck for hauling members' produce to market.

Factor #6 Markets

Farm crops and livestock provide the raw materials for everything from tomato sauce and frozen dinners to clothing and paper. In the long chain of enterprises involved in food production, processing, and marketing, farms are the first link. Beef cattle, for instance, travel from farms and ranches to feedlots and livestock marketing points and then on to meat packers and processors, retailers, and food service operations. According to Colorado cattleman Dallas Horton, however, a retailer invests about \$10 and 48 hours into a meat product, whereas a rancher has spent approximately \$2,500 and 16 months raising the same steer. The farmer sold the steer for 65 cents per pound, and the grocer might sell it for \$1.50 per pound. The meat has a higher retail price because of the value it has gathered through various stages of processing and packaging. Agricultural producers can add this value to their products themselves with on-farm processing and by marketing farm products directly to restaurants and grocers.

Value-added food production is one way to tap into the world of agricultural markets. Other avenues include growing high-value, specialty crops; producing and marketing products cooperatively; finding new market niches for unique farm products; and creating new market opportunities like farmers' markets. The products of local land and labor are laden with opportunity. Communities that help farmers take advantage of such opportunities gain income from new and improved farm enterprises. Towns also benefit from the new economic activity that supports existing businesses. As a community's income increases and its expenditures decrease, it gains wealth and options for the future.

As you consider Factor #6, follow market chains of production, consumption, and recycling and think of how demand and supply affect them. If you were a farmer, product designer, advertiser, or consumer, what opportunities would you see in this chain?

Questions to ask yourself as you fill in the worksheet:

- ❖ What crops and livestock do local farmers produce?
- ❖ Where do local growers market their crops and livestock (farmers' markets, restaurants, commodity markets)?
- ❖ When are different crops in season?
- ❖ Does anyone focus on specialty crops or exotic livestock?
- ❖ Are there any bulk food purchasers or brokers in your area?
- ❖ What processed products are made in your community?
- ❖ Is there a local feedlot, slaughterhouse, or smokehouse? How far away is it?
- ❖ Where do local stores obtain the food they sell?
- ❖ Are there any grower-processor cooperatives?
- ❖ How many businesses in your community (bakeries, bottlers, food wholesalers, individuals) sell products to local hospitals, schools, nursing homes?
- ❖ How many restaurants purchase food locally?
- ❖ What crops did area farmers grow years ago?
- ❖ What methods could farmers use to extend the growing season or diversify local production (greenhouses, aquaculture)?
- ❖ Do any local enterprises generate waste products that could be used as an input by farmers (feedlot manure for fertilizer, newspapers for animal bedding)?
- ❖ What tourist opportunities exist on area farms (fishing, hiking, festivals)? Could these be incorporated into the farm's production needs (U-pick operations, kennels)?
- ❖ Where do you buy food? Why do you buy it there?
- ❖ How does price and quality differ between locally grown and imported groceries?
- ❖ Do you or your neighbors harvest some of your own food? Do you preserve it? Why?
- ❖ What new product or production methods have been tried that have failed? Why?

Some New and Improved Markets

Spicing Up Farm Life

Just as bread is a food staple, so corn and beans are staple crops for the midwestern farm. Given a choice, however, most people would eat bread with a variety of other foods and cook their beans with spices and other ingredients. Likewise, an increasing number of traditional farmers are developing a taste for variety in their production. For example, **Shiitake mushrooms, domesticated deer, dried flowers, and ostrich eggs** are profit-making strangers that are making themselves more and more at home on the nation's farms. Growers have noted the fact that the United States imports ten times the amount of herbs and spices it exports and that ethnic populations in the country send away for ingredients they need. Switching from row crops to high value crops and exotic livestock is a simple financial recipe for many growers.

A Dash of Value Adds to Profits

The **Minnesota Corn Processors** cooperative is in the business of wet-milling its members' locally grown corn into a variety of high-quality products. For years, the farmers had been losing money on their corn. The high cost of transporting corn to distant markets ate up their profits. Then, products made from the corn, like corn syrup and gluten meal, were shipped back to stores in Minnesota where the farmers had to pay again for their processed corn as consumers. Instead of facing this market situation alone, several farmers started working in the spring of 1980 on ways to keep crop value at home. By September of that year, the farmers decided to incorporate as a cooperative and raise money to build a plant to process local grain into syrups, oils, and meal. Minnesota Corn Processors, headquartered in Marshall, Minnesota, continues to thrive today.

"Good Day from Trenton, Missouri!"

"We market everything to the world." That's how Ellen Dolan describes how she and Joy Jackson run the **American Trade Exchange, Inc. (AMTEX)**. The business takes cottage industry products of the midwestern U.S. to buyers around the world. Dolan and Jackson have sold oat bran to Wal Mart, popcorn to the United Emirates, ginseng to South Korea, taco sauce to Saudi Arabia, and charcoal to Japan. This was not always the case, however. In 1986, when the farm crisis forced the Dolans to buy their own home at a foreclosure auction, AMTEX was just an office on Main Street that the Dolans and their partners had rented to start a marketing business. Being the only "unemployed" spouse, Ellen Dolan was drafted to get the business up and running while the others worked at other jobs. Now, she and Joy Jackson run the tiny but feisty marketing firm that supplies international and domestic market niches with high-quality products from small businesses. With over 40 clients in 1990, these two homemakers have added "entrepreneur" to their job descriptions and new sources of income to the people who work with them. Their letters to buyers around the globe begin with, "Good Day from Trenton, Missouri," and this simple message gets big results.



WORKSHEET A2

Need to Know



Use this worksheet to list what you need to know and who you need to contact in order to better understand food and agriculture factors. You can also use Appendix 1 Food and Agriculture Profile if you want to do more in-depth research on your region's food supply and agricultural economy. Try to prepare your "Need to Know" and appendix findings before Workshop B.

As you summarize your "Need to Know" research, note those items that contradict or support information generated in Workshop A. You will give a copy of your research to each person from your Factor Group. Be as efficient as possible. Ask yourself if each item will actually help you make project decisions.

Need to Know List

Your research needs might include:

- ❖ Statistics on food industry production, expenditures, and employment;
- ❖ Surveys of farming practices, consumer preferences, and bulk purchaser needs (restaurants, hospitals);
- ❖ Inventories of what types of food and supplies your community imports;
- ❖ Reports on what other communities, states, and interest groups are doing for agriculture.



Factor #1—Natural Resources & Production Inputs Factor #4—Infrastructure
 Factor #2—Human & Organizational Resources Factor #5—Access to Capital
 Factor #3—Government Factor #6—Markets

NEED TO KNOW

Community Resource List

People and sources you should contact include:

- ❖ Farmers
- ❖ Cooperative extension agents
- ❖ Agriculture and marketing associations
- ❖ Schools, churches, and historical societies
- ❖ Library shelves (look for the *Census of Agriculture* and other reports)
- ❖ Grocers and other food distributors
- ❖ Civic and volunteer organizations
- ❖ State and federal departments of agriculture
- ❖ Rural electric and farmers' cooperatives
- ❖ Organic growers associations
- ❖ State statistical reporting service
- ❖ County recorder's office



Factor #1—Natural Resources & Production Inputs
 Factor #2—Human & Organizational Resources
 Factor #3—Government

Factor #4—Infrastructure
 Factor #5—Access to Capital
 Factor #6—Markets

COMMUNITY RESOURCES

HOMEWORK

Understanding Economic Renewal Principles

Complete this homework exercise on your own. It should take less than an hour of your time and will prepare you for Workshop B, when you will look at your local food supply and agricultural economy in terms of the four Economic Renewal Principles: plug

the leakage of income and resources from your town's economy; support businesses that already exist; encourage new enterprise with opportunities you identify; and, lastly, recruit outside businesses that are compatible with the community's vision.

Principle #1 Plug the Leaks

Consider the reservoir and flow of income and resources in your economy. Are vital inputs, skills, and assets leaking out of your economy? Do local paychecks pay distant merchants for daily bread? Does the education you gave your children go to the big city with them? Is topsoil washing away from local land? Plugging such leaks not only preserves valuable resources, it also presents new opportunities.

Look at your checkbook.

In the last three months, how many checks have you written to businesses outside of your community for groceries, electricity, fertilizer, livestock feed, and other household and agricultural supplies?

In the last three months, how many interest payments or account deposits have you made to banks that are not locally owned?

Look in your kitchen cabinets and refrigerator

What brand names, distributors, and food processors are listed on food labels? Where are these businesses located?

How many of the food items in your kitchen are made out of crops or livestock that are or can be raised in the local area?

Is there any food in your cabinets that you or your neighbors raised and preserved yourselves?

HOMEWORK

Understanding Economic Renewal Principles

Principle #2 *Support Existing Business*

Check the arteries of your economy. How do local businesses, producers, government, and consumers relate? Is there open communication? Do they share information? What helps or prevents the success of local enterprise? To support existing businesses, you need to both unblock the flow of resources, skills, and capital where it is hindered and build the capacity of those economic arteries that are already healthy.

How are local agricultural enterprises doing?

Where can you buy fruits and vegetables grown locally?





What information and services do you need, as a consumer, to do more shopping locally (advertisement of farm products, convenient business hours and locations, cooking directions for unusual vegetable varieties)?



Look around your home, your neighborhood, and your town. Are there any abandoned buildings, piles of scrap lumber, or other used materials that local growers could put to new uses?

HOMEWORK

Understanding Economic Renewal Principles

Principle #3

Encourage New Enterprise

Focus on new enterprise and how a community can encourage it. New product opportunities, information services for existing businesses, and combinations of unique local resources and skills are all possibilities for new enterprise to join in the local economy. When a community encourages new farmers and other business start-ups, it adds economic activity to the area.

What new business do you need or want in town?

What local skills and products have enterprise potential?

In the last few months, have you or your friends thought of a new business you would like to see in your community? List any new businesses, particularly small businesses, you think could succeed in your community.

Are there people you know who are thinking about developing their skills or resources to start a new business (hand crafts, orchards, catfish ponds)? What obstacles do they face? What potential do they have for improving local food and agriculture conditions?



New Business

Obstacle

Potential

HOMEWORK

Understanding Economic Renewal Principles

Principle #4

Recruit Compatible New Business

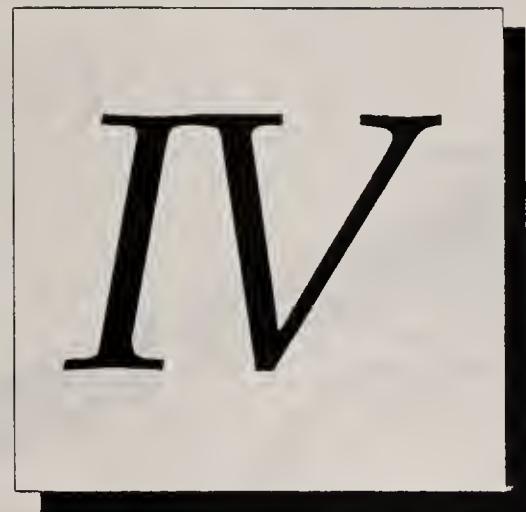
Find the business partners you want for your community. Compatible business recruitment based on unique local resources provides benefits for existing and incoming business alike. If you plug the leaks, support existing businesses, and encourage new enterprise, you will have a town that has collected and counted its chips. When the community then attracts new business, it is in a stronger position to choose those companies that fit in best with its food and agriculture goals.

You have just been appointed economic development director for your community. Consider the following scenario: You realize that every other community in the state wants to attract new businesses. The mayor has asked you to talk to officials at the state capitol and promote your town's unique resources.



What special community resources will you highlight for state officials?

What infrastructure, skills, or markets should an incoming business add to the community?

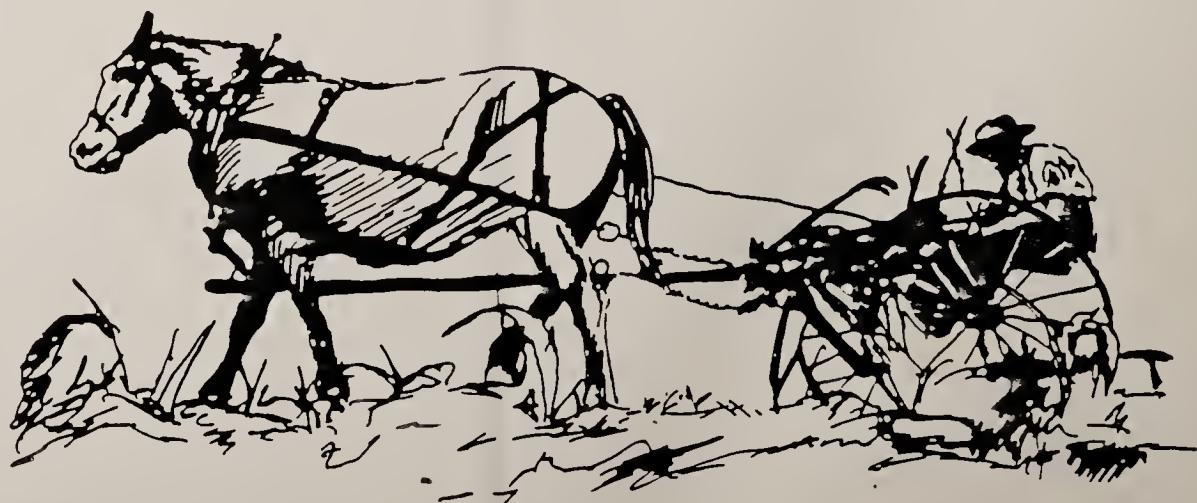


*Applying Economic Renewal Principles to
Food and Agriculture*

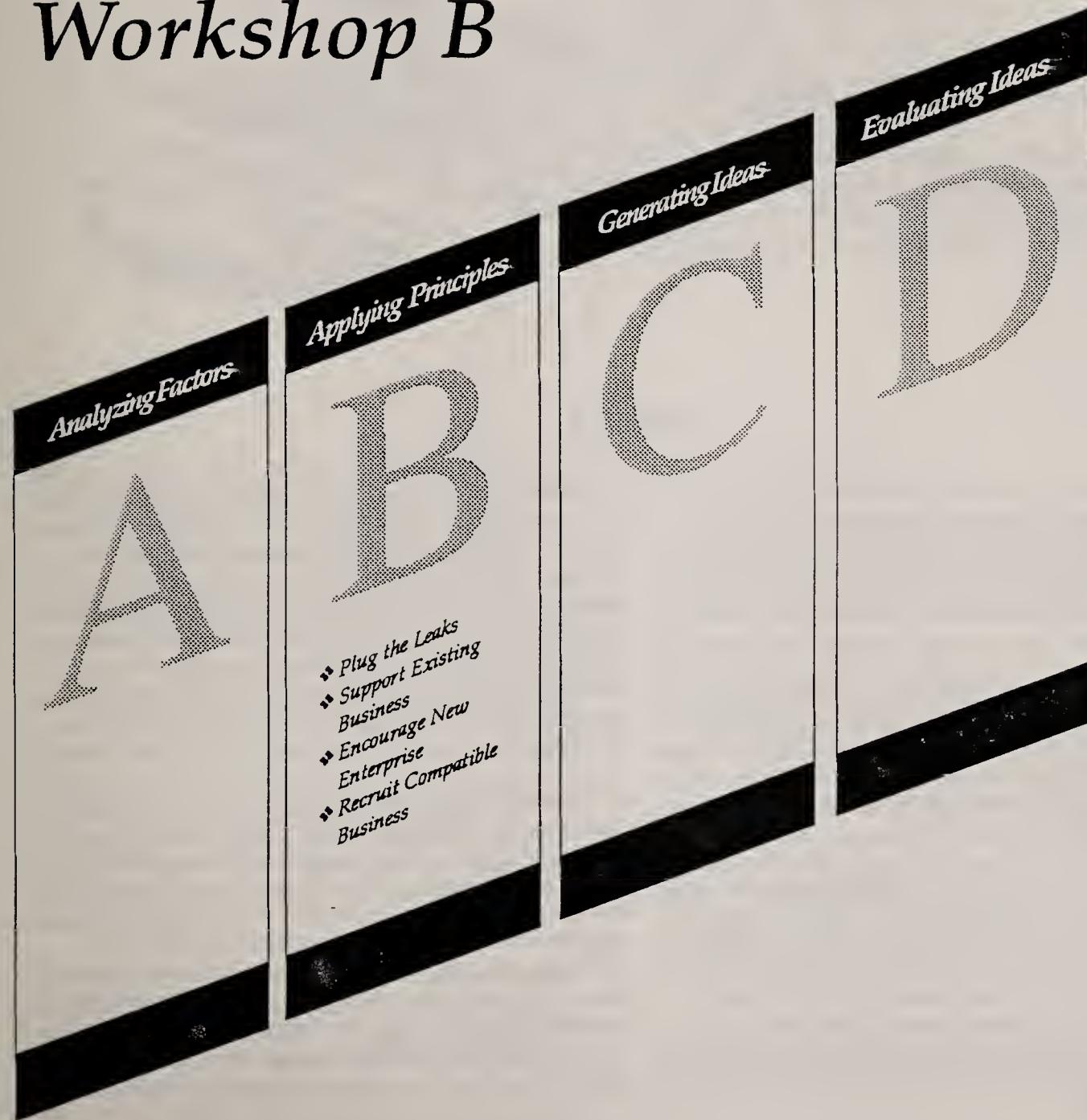
❖ IV. Applying Economic Renewal Principles to Food and Agriculture ❖

In this chapter of the Workbook, you will use the four Economic Renewal Principles to choose the best targets for your economic renewal efforts. The four principles — *plug the leaks, support existing business, encourage new enterprise, and recruit compatible business* — will help you ask the right questions and find the appropriate connections between the problems, needs, assets, and windows of opportunity you identified in Workshop A.

By matching useful assets and windows of opportunity to pressing problems and needs, you will identify the best food and agriculture options for your area. Instead of jumping to solutions, you will make informed decisions based on the Economic Renewal Principles. In addition, you will find that many tools of economic renewal are right in your backyard. That is, your community's own assets and windows of opportunity may offer economical, efficient, and innovative ways to start economic renewal in food and agriculture. For example, you might link an *asset* such as a locally owned newspaper to local farmers' *need* for more marketing. The newspaper might become a launching pad for a new "Buy Local" marketing effort to generate more business for small farmers in the area.



Workshop B



WORKSHOP B



Applying Principles

Sample Workshop Agenda and Directions

This workshop agenda is a suggested outline for conducting Workshop B. Approximate times for each agenda item are noted in parentheses, with a total estimated workshop time of three hours. Be sure to start on time and keep to your agenda.

Workshop Goal
Use the four Economic Renewal Principles to find the best targets for your economic renewal efforts.

AGENDA

Introduction — (10 minutes) The workshop facilitator describes the agenda, explains the worksheets, answers questions, hands out copies of Workshop A findings to the members of each of the previous workshop's Factor Groups, and discusses the relationship between Workshop A and Workshop B.

Homework Reports — (10 minutes) The facilitator conducts a discussion of observations made by participants while completing the homework assignment, "Understanding Economic Renewal Principles." The facilitator uses these observations as examples to review the Economic Renewal Principles with participants.

Small Groups — (10 minutes) Workshop participants divide into four groups, one for each of the four Economic Renewal Principles. (Each Principle Group should include at least one person from each Workshop A Factor Group. Each Principle Group should have no more than 12 members.) Participants introduce themselves and choose one person to be the group's recorder. The recorder's responsibility is to fill in the group's worksheets and report the group's findings.

Worksheet B1 — (45 minutes) Each Principle Group has at least one representative from each of Workshop A's Factor Groups. Thus, everyone has information about food and agriculture problems, needs, assets, and windows of opportunity according to the Factor they studied in the last workshop. These representative(s) of the Factor Groups now report those factor problems, needs, assets, and windows of opportunity that relate to the current group's assigned principle. The recorder writes these down on Worksheet B1.

Worksheet B1 should contain those problems, needs, assets, and windows of opportunity that relate to the group's assigned Principle. [Thus, the recorder for Principle #1 writes down food and agriculture resource and income leaks and plugs; the recorder for Principle #2 writes down troublesome issues and ways to support food and agriculture businesses; the recorder for Principle #3 writes down discouraging facts and encouraging opportunities for new enterprise; and the recorder for Principle #4 writes down reasons to seek outside businesses and local advantages that will attract compatible partners in economic renewal.]

Some problems, needs, assets, and windows of opportunity will apply to more than one principle. Don't worry. Overlap is natural and can be expected.



Worksheet B2 — (30 minutes) Each group now should have a list of problems, needs, assets, and windows of opportunity relating to its principle. The group then studies the items listed and decides which are possible economic renewal matches; that is, which assets and windows of opportunity can be applied to which problems and needs. For example: If an old ice skating rink is for sale in the town, the group might decide that this is a window of opportunity to address the need for a year-round farmers' market location. The problems, needs, assets, and windows of opportunity that have such connections are then circled with lines to link them together (see the Demonstration Worksheet). The recorder copies these matches onto Worksheet B2 for a record of the connections the group believes have potential for plugging the leaks, supporting existing business, encouraging new enterprise, or recruiting compatible business.

Worksheet B3 — (5 minutes) Some problems and needs will have no corresponding assets or windows of opportunity. List these on Worksheet B3. Keep a record of unmatched problems, needs, assets, and windows of opportunity because connections might be found for them later. Though yet unmatched, these items are important problems and needs you may want to address and vital assets and windows of opportunity you may want to use.

Break—(15 minutes)

Group Reports—(50 minutes) The recorder from each group then presents Worksheet B2's connections and Worksheet B3's list of remaining problems, needs, assets, and windows of opportunity to the entire workshop. The facilitator should find two helpers to write down each group's findings on blackboards or large sheets of paper. While the helpers write the groups' findings on chalkboards or large sheets of paper, the facilitator reviews the results with the entire group, looking for matches across principles and noting important points. It is the facilitator's job to take this information home and write a summary of Workshop B. The facilitator asks for four or five volunteers to help review these findings and prepare the summary. The facilitator will discuss and hand out copies of this summary at the next workshop, where participants will generate project ideas based on what they've learned about local food and agriculture conditions.

Next Steps—(5 minutes) The workshop facilitator will review briefly the homework assignment and give a preview of Workshop C.

Demonstration

Before you start your own worksheets, take a look at how the town of Arnold might complete Worksheet B1.

Principle #1—Plug the Leaks

Principle #2—Support Existing Business

	FACTOR #1 NATURAL RESOURCES & PRODUCTION INPUTS	FACTOR #2 HUMAN & ORGANIZATIONAL RESOURCES	FACTOR #3 GOVERNMENT
PROBLEMS	<ul style="list-style-type: none"> Some insects have become immune to conventional pesticides. Local orchards don't know what to use now, especially with consumer concern for toxic contamination of fruit. Local farmers spend 60-70 percent of their budget on energy and groundwater pumping. 	<ul style="list-style-type: none"> Retired farmers make up a good portion of the local population, but they don't have many options for participating in the agricultural economy. Farmers are beginning to sell more and more of their land because they can't afford to farm it. 	<ul style="list-style-type: none"> Some zoning laws keep people from raising chickens and other animals even though eggs, wool, and milk contribute to helping a family feed itself and/or make a living. Government is finding it more difficult to preserve agricultural lands in the face of continued development pressure.
NEEDS	<ul style="list-style-type: none"> We need to find some way to get good prices for our damaged apples, which taste good but won't sell well because of bruises. We need to develop alternative farming practices to reduce chemical inputs and protect our groundwater from contamination. We need to start raising other crops and diversify our agricultural economy. 	<ul style="list-style-type: none"> We need to involve the energy of school students and the skills of senior citizens in developing agricultural options. We need to get local civic and church groups to coordinate their resources and focus on economic renewal. We need to get local farmers together to coordinate what they produce and where and how they market it. 	<ul style="list-style-type: none"> We need to make government buildings and services a model for others in energy efficiency. We need to find ways for government to buy local food products.
ASSETS	<ul style="list-style-type: none"> We still have lots of working farmland and farmers despite the fact that this area is attractive to second-home buyers. Our climate is suitable for growing many things besides fruit, which is the basis of our agricultural economy. The local farm implement dealer has a short-term leasing program to help farmers use tools and equipment that they do not necessarily want to buy. 	<ul style="list-style-type: none"> The Cooperative Extension office is active and helps farmers with information and technical assistance. Extension's Master Gardener and Livestock Master programs give farmers access to good and inexpensive information. We have many young farmers eager to farm in our area. 	<ul style="list-style-type: none"> County governments in this area have a history of working together and cooperating on common projects. Two successful farming operations are located on community land trusts. Elected officials have worked to keep commercial development from tearing up farmland.
WINDOWS OF OPPORTUNITY	<ul style="list-style-type: none"> There is an expert on integrated pest management doing research at the state university. Some local farmers have excess manure and crop wastes available. 	<ul style="list-style-type: none"> A local woman recently won first place in the state fair for her organic apple butter recipe. Several individuals are interested in starting apprenticeship programs. A multi-community organization is being formed to work on regional community and economic issues. 	<ul style="list-style-type: none"> The state government is developing a bond issue to generate capital for agricultural home-based businesses. National farm policy is becoming more flexible by allowing farmers to plant more than one type of crop and still qualify for government support. The town is updating its land use plans and making changes in zoning ordinances.

Worksheet B1

The circles and lines on this demonstration version of Worksheet B1 illustrate the matches that participants would transfer to Worksheet B2.

Principle #3—Encourage New Enterprise

Principle #4—Recruit Compatible Business

FACTOR #4 INFRASTRUCTURE	FACTOR #5 ACCESS TO CAPITAL	FACTOR #6 MARKETS	
<ul style="list-style-type: none"> Soil erosion has silted up once-navigable waterways. The cannery has gone bankrupt, leaving orchards without a local buyer. The farm implement dealership is moving to a larger town. 	<ul style="list-style-type: none"> Farmers have a difficult time making it through the winter because their cash flow is seasonal. Some farmers are too far in debt to make initial investments in diversifications. Lenders are skeptical or unaware of how profitable organic farming can be. 	<ul style="list-style-type: none"> Schools and supermarkets import food rather than buying from local growers because they need guaranteed supplies and quantities. Transportation costs keep local farmers from serving some potentially profitable markets. 	PROBLEMS
<ul style="list-style-type: none"> We need to revive local food processing (milling, canning, meat packaging). We need to employ local labor when making infrastructure improvements. We need to help farmers maintain access to convenient and affordable repair services. 	<ul style="list-style-type: none"> We need to help farmers and other local businesses prepare effective loan applications. We need to attract investment for new agricultural ventures. 	<ul style="list-style-type: none"> We need to coordinate local food production to satisfy the needs of school and supermarket purchasers. We need some processing capability in order to serve certain markets. 	NEEDS
<ul style="list-style-type: none"> We have a top-notch veterinarian facility. We are close to a railroad line. Several farmers have redesigned their barns to use renewable energy sources like sun and wind for heating and cooling. 	<ul style="list-style-type: none"> Two banks are locally owned, and the officers understand agricultural finance. We have a strong Rural Electric Association, which sometimes has funds for local business loans. 	<ul style="list-style-type: none"> The local farmers' market is a long-time feature of the community. The newspaper is a great booster of local events. 	ASSETS
<ul style="list-style-type: none"> The old cannery facility is for sale; needs renovation. A neighboring community has an old abandoned grain mill with plenty of usable equipment. 	<ul style="list-style-type: none"> The state is expanding its farmers' market coupon program to include public schools as recipients of coupons to redeem at farmers' markets. A local farmer has experience managing producer cooperatives. Bankers are beginning to count potential contamination from chemical fertilizers etc. as a risk in agricultural lending and may see organic practices as safer investments. 	<ul style="list-style-type: none"> Cooperative Extension is holding a regional conference on farm product diversification next month. Several people in town are thinking about opening a food cooperative which will feature local foods. 	WINDOWS OF OPPORTUNITY

Worksheet B1 —

Each member of your Principle Group should have a list of findings from the last workshop. On this worksheet, list the problems, needs, assets, and windows of opportunity that are related to your group's principle.



Principle #1—Plug the Leaks

Principle #2—Support Existing Business

	FACTOR #1 NATURAL RESOURCES & PRODUCTION INPUTS	FACTOR #2 HUMAN & ORGANIZATIONAL RESOURCES	FACTOR #3 GOVERNMENT
PROBLEMS			
NEEDS			
ASSETS			
WINDOWS OF OPPORTUNITY			

Applying Principles

Circle and connect those items that might work together for generating project ideas. Feel free to use a chalkboard or large sheet, using this chart as a model, if this worksheet proves too small.



Principle #3—Encourage New Enterprise

Principle #4—Recruit Compatible Business

FACTOR #4 INFRASTRUCTURE	FACTOR #5 ACCESS TO CAPITAL	FACTOR #6 MARKETS	
			PROBLEMS
			NEEDS
			ASSETS
			WINDOWS OF OPPORTUNITY

Worksheet B2 — Making Connections

Use this worksheet to record the matches you make on *Worksheet B1*.



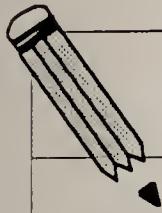


PROBLEMS & NEEDS	ASSETS & WINDOWS OF OPPORTUNITY
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Worksheet B3 — Remaining Issues

WORKSHOP B

Use this worksheet to record those problems, needs, assets, or windows of opportunity that have no apparent matches. These unmatched items may be part of future economic renewal efforts.



PROBLEMS & NEEDS	ASSETS & WINDOWS OF OPPORTUNITY

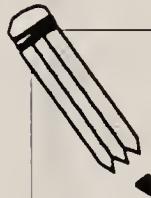
HOMEWORK

Food and Agriculture Casebook

Before the next meeting, read the Food and Agriculture Casebook

In this homework exercise, you will apply what you've learned from Workshops A and B to understand what other communities have done to improve their economies and how you can structure your own local projects. Read the *Food and Agriculture Casebook*. It contains examples and discussions of how towns like your own have been successful with community economic renewal. You can also find case examples through the sources listed in Appendix 3, or you can study the examples included in Workshop A's factor summaries.

Look for cases where a community had problems and needs similar to your own. How did they use their assets and windows of opportunity? Jot down your observations in the space below, keeping in mind the project ideas that might apply to your local economy. In Workshop C, you will generate project ideas based on previous workshop findings and case study examples.



Case Study

Problems and Needs

Assets and Opportunities



Generating Project Ideas

❖ V. Generating Project Ideas ❖

At this point in the workshop process, it's time to take what you've learned from workshops A and B and generate project ideas. It's time to brainstorm, to throw all your research and insights together.

Allow yourselves to step out of conventional "economic development" bounds. That way, you will leave your mind open to those innovative ideas that only you can come up with.

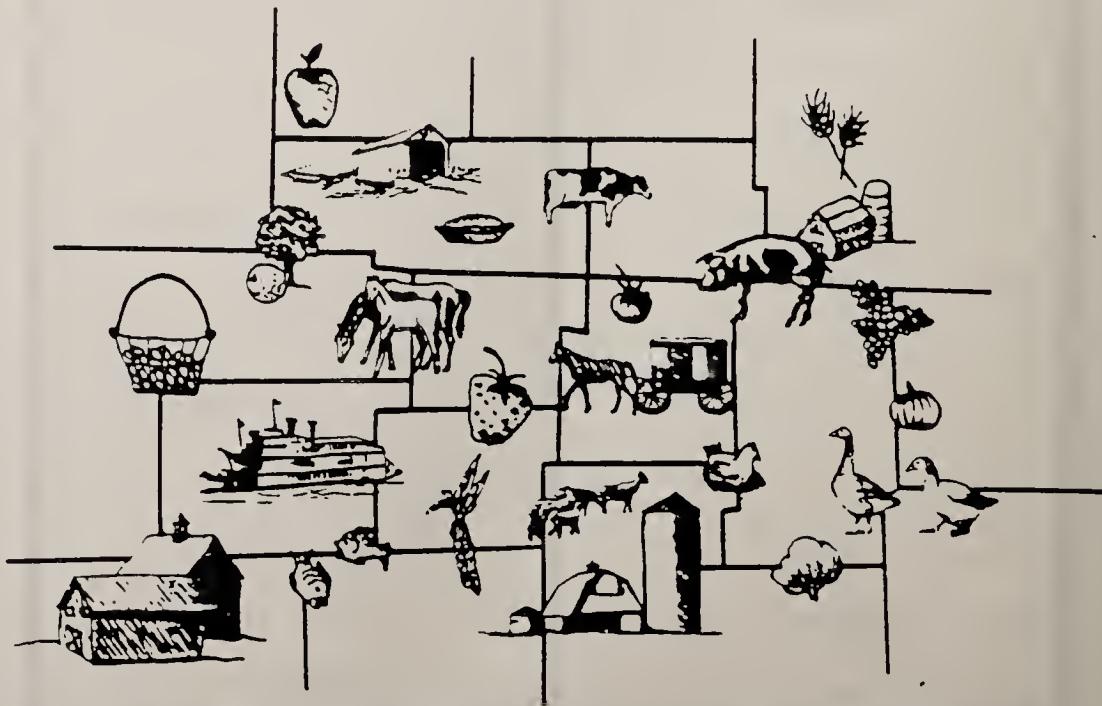
Understandably, communities experiencing economic problems are in a hurry to do *something*, almost anything, to improve local economic conditions. They may latch onto ideas they have heard about or projects they have seen in a nearby town or read about in the regional newspaper. Jumping from problem to solution, however, without a complete diagnosis of the problem and a full exploration of the range of potential solutions, may be a disappointing waste of time and money.

By taking this workbook's four basic steps — Analyzing Food and Agriculture Factors, Applying Economic Renewal Principles, Generating Project Ideas, and Evaluating Potential Projects — you are taking care to understand fully the issues your community is facing before you start projects. Thus, the projects you eventually take on will be appropriate and effective.

In the next pages, you'll find hints for brainstorming project ideas, a sample workshop agenda, and worksheets to use in the process. Workshop C has three parts:

- ❖ Brainstorming Project Ideas
- ❖ Exploring Project Ideas
- ❖ Selecting Project Ideas

By the end of this workshop, you will have selected a number of project ideas for further evaluation. In Workshop D, you will evaluate the project ideas and choose those that have the greatest potential for success.



How to Generate Project Ideas

Study the brainstorming guidelines listed below. Keeping them in mind during a brainstorming session will help your group generate many more creative ideas.

In a brainstorming session, each participant generates as many options as possible. All ideas are welcome. The point of brainstorming is to explore a range of options, not to sell any one idea or perspective. As an exercise, brainstorming stretches the imagination and produces a bushel of ideas from which you can choose the best later.

Guidelines For Brainstorming

- ❖ **Appoint someone to serve as facilitator.**

It is the facilitator's job to ensure that everyone gets a chance to discuss their ideas. It helps when the facilitator summarizes the previous participant's ideas before the next person speaks. Use a blackboard or wall chart to record what is said.

- ❖ **Reinforce and encourage all ideas.** Do not worry about details at this point. Concentrate on generating as many ideas as possible.

- ❖ **There are no wrong ideas.**

If you must comment, limit your comments to how an idea might be improved.

- ❖ **Feel free to add to ideas or to combine them.**

Everyone present is thinking about different aspects of the same issue. Overlap and extension of ideas is natural and useful.

- ❖ **Listen to the full explanation of an idea.**

Do not interrupt others until they are finished explaining.

- ❖ **Nobody has all the answers.**

Group success depends upon every group member sharing ideas, opinions, and observations.

- ❖ **Pay attention to silence.**

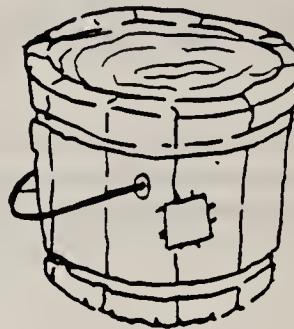
A silent individual or group may indicate that there is something more to learn about project ideas. Respect silence, but be aware that some issues may need further discussion.

- ❖ **Be open to new ideas.**

Avoid promoting your own agenda.

A Full Bucket

You have read about successful economic renewal projects in Workshop A's factor summaries, in the *Food and Agriculture Casebook*, and in magazines and reports listed in Appendix 3. Below is a summary of just a few of the ideas communities have used to make agriculture a vital part of their economies.



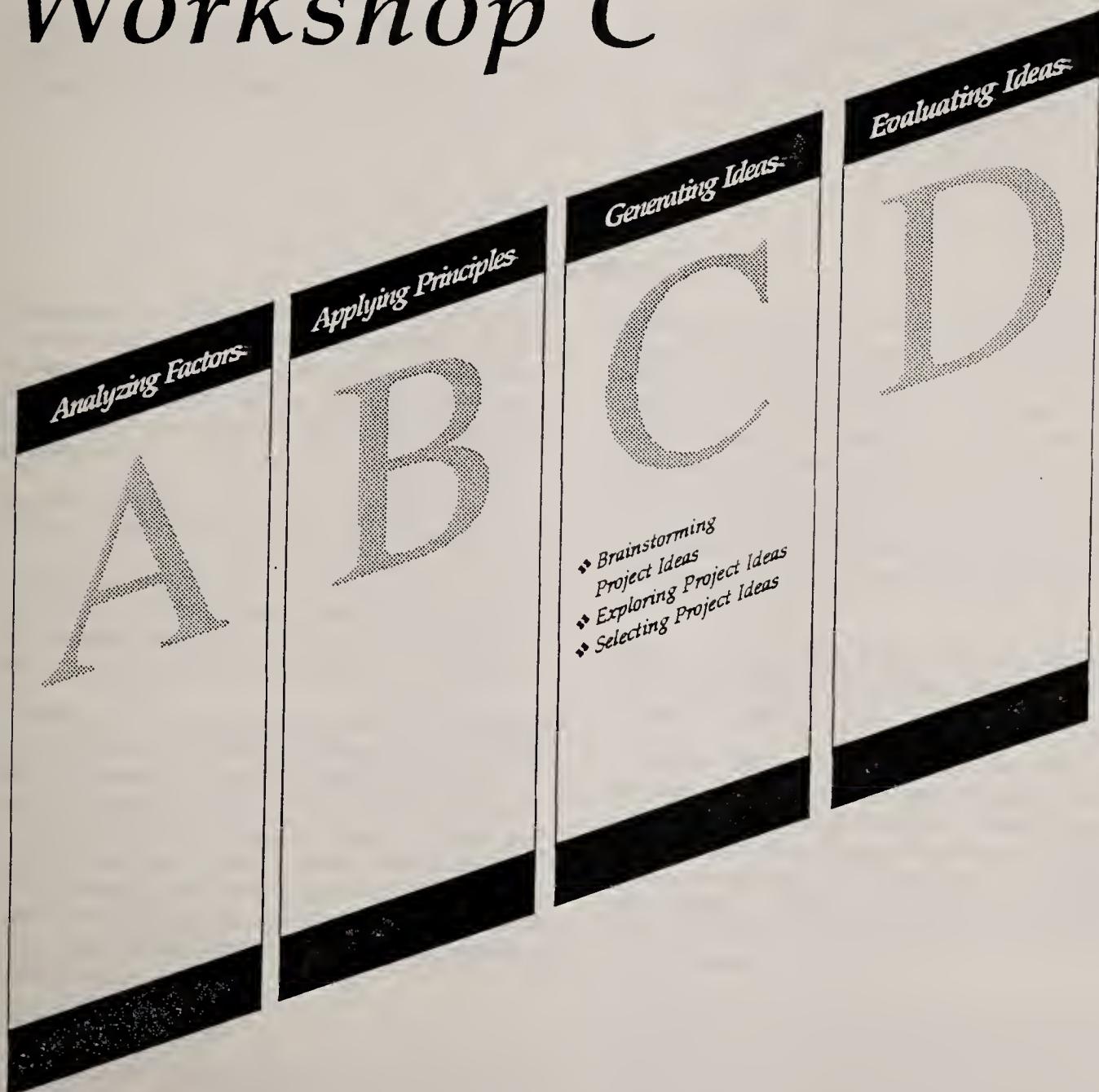
Fresh Ideas

Alfalfa Sprouts	Dried Flowers	Gift Baskets	Pecans
Applebutter	Duck Eggs	Goose Eggs	Pickled Peppers
Berries	Eggplants	Goat Soap	Quinoa Grain
Buffalo	Elk	Gourmet Hay	Sheep
Canola	Farm Sitters	Herbs	Mushrooms
Chukars	Farm Tours	Hometown Specialties	Snowpeas
Contests	Fertilizer	Kale	Spices
Cookbooks	Festivals	Lespedeza	Wheat Wine
Corncob Logs	Fresh Flowers	Maple Syrup	Wildflowers
Custom Meats	Fresh Fruit	Native Seeds	Wool Sweaters
Draft Horses	Game Birds	Ostriches	Yogurt
Dried Beans		Partridge	

Hometown Remedies

Aquaculture	Farm Recreation	Marketing Cooperatives
College Programs	Farmers' Markets	Niche Marketing
Community Gardens	Farmers' Market Coupons	Nighttime Irrigation Rates
Community Land Trusts	Farmland Preservation	No-till, Ridge-till, and Roto-till
Community Loan Funds	Freshwater Fish Farming	Organic Agriculture
Community Sponsored Agriculture	Fundraising Festivities	Producer Cooperatives
Consumer Cooperatives	Greenhouses	Railroad Renovation
Cooperative Farm Organizations	Grocery Gleaning Programs	Recycling and Re-use
Cover Crops	Information Exchanges	Rotational Controlled Grazing
Craft Catalogs	Information Hotlines	Soil Conservation
Crop Rotations	Hydroponic Agriculture	Subscription Farming
Energy Generated from Wastes	Livestock Master Programs	Tool and Machinery Lending Libraries
Farm Implement Inventions	Local Labels and Logos	U-Pick Operations
Farm Preserve Currency Notes	Low-Input Sustainable Agriculture	Value-Added Processing
Farm Products Directories	Master Gardener Programs	Water Conservation

Workshop C



WORKSHOP C

Generating Project Ideas

Sample Workshop Agenda and Directions

The "Generating Project Ideas" worksheets can be completed in a three-hour workshop, depending on the number of participants.

Workshop Goal
Generate Economic Renewal Project
Ideas and select the best for further
evaluation.

AGENDA

Introduction — (10 minutes) The workshop facilitator discusses the workshop's agenda and desired outcome and summarizes significant findings from workshops A and B. The facilitator hands out copies of the problems, needs, assets, and windows of opportunity matches made in Workshop B.

Preferred Future — (10 minutes) The workshop facilitator reviews the community's overall goals.

Small Groups — (5 minutes) Break into small groups representing the four Economic Renewal Principles. Sit with the same group you worked with in the previous workshop. A group of no more than 12 people is best.

Worksheet C1 — (25 minutes) Using the "Brainstorming Guidelines," each Principle Group generates project ideas that address the problems, needs, assets, and windows of opportunity matches made in Workshop B. At this point, there is no need to discuss the merits of any particular idea. Principle Groups should focus on listing as many project ideas as possible. If your group comes up with project ideas for another principle that the entire group should consider, list them at the bottom of Worksheet C1.

Break — (10 minutes)

Worksheet C2 — (30 minutes) One to three people per Principle Group form a subgroup and use Worksheet C2 to explore one of the project ideas generated in the Group's brainstorming session. (Each Principle Group will have one subgroup per project idea.) The subgroups summarize the results of their project idea exploration on large sheets of paper. Representatives from each subgroup will use these sheets as wall charts to present the project idea to the entire workshop.

Summary of Group Reports — (3-5 minutes per group) Subgroup representatives for each Principle Group present their project idea to the entire workshop. The workshop facilitator asks for a volunteer to record each project idea on a chalkboard or wall chart. The volunteer should leave enough space below each project idea for workshop participants to mark their preferences at the end of the workshop. Though the project ideas are now recorded on a master wall chart, each subgroup should go ahead and post their project idea wall charts around the room.

Break — (10 minutes) During the break, the workshop facilitator studies the list of project ideas and makes note of those that overlap.

Worksheet C3 — (15 minutes) The workshop facilitator reviews the list of project ideas with workshop participants; points out those that overlap, if any; and gets permission from the participants to combine project ideas as appropriate. From this master list, participants write down on Worksheet C3 those project ideas they believe are most important and workable for the community's economy.

With stick-on dots supplied by the facilitator, participants now mark their project idea preferences on the master list. Each participant may choose one, two, or three project ideas. After everyone is finished, the facilitator counts the preferences and circles eight to 10 of the most popular project ideas. In the next workshop, participants will evaluate these ideas for final project selection.



WORKSHEET C1

WORKSHOP C

Brainstorming Project Ideas

Use this worksheet to record project ideas generated during the brainstorming exercise.

Principle #1—Plug the Leaks Principle #3—Encourage New Enterprise
 Principle #2—Support Existing Business Principle #4—Recruit Compatible Business



Demonstration Worksheet C2— Exploring Project Ideas



This demonstration worksheet illustrates how to complete Worksheet C2. In this example, one project idea has been included for each principle.

Try to generate at least three project ideas to address the Economic Renewal Principle your group has chosen.



- Principle #1—Plug the Leaks
- Principle #2—Support Existing Business

- Principle #3—Encourage New Enterprise
- Principle #4—Recruit Compatible Business

PROJECT IDEA	HOW WOULD THE PROJECT IMPROVE LOCAL BUSINESS CONDITIONS?	WHAT RESOURCES DO YOU NEED FOR PROJECT SUCCESS?	WHAT INFORMATION DO YOU "NEED TO KNOW" TO START THE PROJECT?
Buy Local Program (Principle #1)	<ul style="list-style-type: none"> • A Buy Local program would keep dollars circulating in the local economy and generate economic activity. • It would benefit local buyers with savings on inventory and warehousing costs. • It would benefit local sellers with new markets and lower transportation costs. 	<ul style="list-style-type: none"> • We need a staff person to coordinate matches of local buyers and sellers. • An information campaign would help residents and businesses understand the program and participate in it. • We need to create incentives for restaurants, institutions, and others to buy local. 	<ul style="list-style-type: none"> • We need to know what supplies local buyers need to buy and what products local sellers have to offer. • We need to know the average retention rate of local dollars so as to estimate the overall impact of keeping more food dollars in the local economy.
Farmers' Information Network (Principle #2)	<ul style="list-style-type: none"> • A Farmers' Information Network would keep individual farmers informed of other farmers' practical experiences with new agricultural practices. • This is a low-cost way for farmers to stay ahead of the game and benefit from others' experiences. • Farmers could pool their expertise for better production and profits overall. 	<ul style="list-style-type: none"> • A computer would help us organize the network information. • We need a group of farmers committed to making the information network useful. 	<ul style="list-style-type: none"> • We need to know what farmers' information networks exist and how we can either join or set up our own. • We may need to see if the university and Cooperative Extension are interested in participating. • We need to know what method (computers, directories, meetings) would be most useful to local growers for exchanging information.
Revolving Micro-Enterprise Loan Fund (Principle #3)	<ul style="list-style-type: none"> • A Revolving Micro-Enterprise Loan Fund will provide small businesses with essential operating capital and some assistance with financial planning. • A loan fund is an instrument local people can use to pool their resources and help their neighbors economically. • If the loan fund succeeds in encouraging new agricultural enterprise, then the community may have more opportunities to localize its food supply. 	<ul style="list-style-type: none"> • We need a revolving loan fund accounting system. • We need investors. 	<ul style="list-style-type: none"> • We should ask a bank or credit union if they are interested in participating. • We need to contact other loan funds and learn from their experience. • We need to know how much it would cost to operate the loan fund while maintaining affordable interest rates and reasonable loan terms for borrowers.
Invite Food Processing Company to Buy Local Cannery (Principle #4)	<ul style="list-style-type: none"> • A company with food processing capability will help local growers serve new markets, like local schools and groceries. • It will save transportation costs for farmers who normally send their crops away for processing. 	<ul style="list-style-type: none"> • We need to demonstrate the profitability of the local cannery. • We need to find the energy and water efficiency measures that will save production costs and pay back the initial investment over time. • We need to find possible buyers and local investors. 	<ul style="list-style-type: none"> • We need to know the production process that a new local food processing company might use. • We need to learn about natural alternatives to chemicals in food processing and offer this information to the company.

Worksheet C2— Exploring Project Ideas



For each project indicate:

- ❖ How the project improves local business conditions,
- ❖ What resources you need for project success; and
- ❖ What other information you "need to know" to start the project.

Principle #1—Plug the Leaks
 Principle #2—Support Existing Business

Principle #3—Encourage New Enterprise
 Principle #4—Recruit Compatible Business

PROJECT IDEA	HOW WOULD THE PROJECT IMPROVE LOCAL BUSINESS CONDITIONS?	WHAT RESOURCES DO YOU NEED FOR PROJECT SUCCESS?	WHAT INFORMATION DO YOU "NEED TO KNOW" TO START THE PROJECT?

Worksheet C2— Exploring Project Ideas

(continued)



For each project indicate:

- ❖ How the project improves local business conditions,
- ❖ What resources you need for project success; and
- ❖ What other information you "need to know" to start the project.

Principle #1—Plug the Leaks
 Principle #2—Support Existing Business

Principle #3—Encourage New Enterprise
 Principle #4—Recruit Compatible Business

PROJECT IDEA	HOW WOULD THE PROJECT IMPROVE LOCAL BUSINESS CONDITIONS?	WHAT RESOURCES DO YOU NEED FOR PROJECT SUCCESS?	WHAT INFORMATION DO YOU "NEED TO KNOW" TO START THE PROJECT?

WORKSHEET C3

Selecting Project Ideas

Record your three priority projects.

1.

2.

3.

Vote for these project ideas by placing stick-on dots next to them on the workshop master list.

VI

Evaluating Project Ideas

❖ VI. Evaluating Project Ideas ❖

In this workshop, you will determine which economic renewal projects your community should pursue by evaluating the project ideas explored in Workshop C. First, Worksheet D1 outlines four evaluation tasks to help you determine if a project:

- ❖ Is compatible with the community's preferred future,
- ❖ Sustains local resources and opportunities,
- ❖ Is within the community's capabilities, and
- ❖ Brings people and politics together.

Second, Worksheet D2 helps you make sure the projects you select work together to accomplish your economic renewal goals. The beginning of one project, for example, may depend on the completion of another project. Community support of a long-term, large-scale project may require a number of smaller and immediate successes first. Because projects vary in terms of timing, degree of difficulty, and extent of community benefits, it is useful to coordinate them to make the best use of your time and resources.

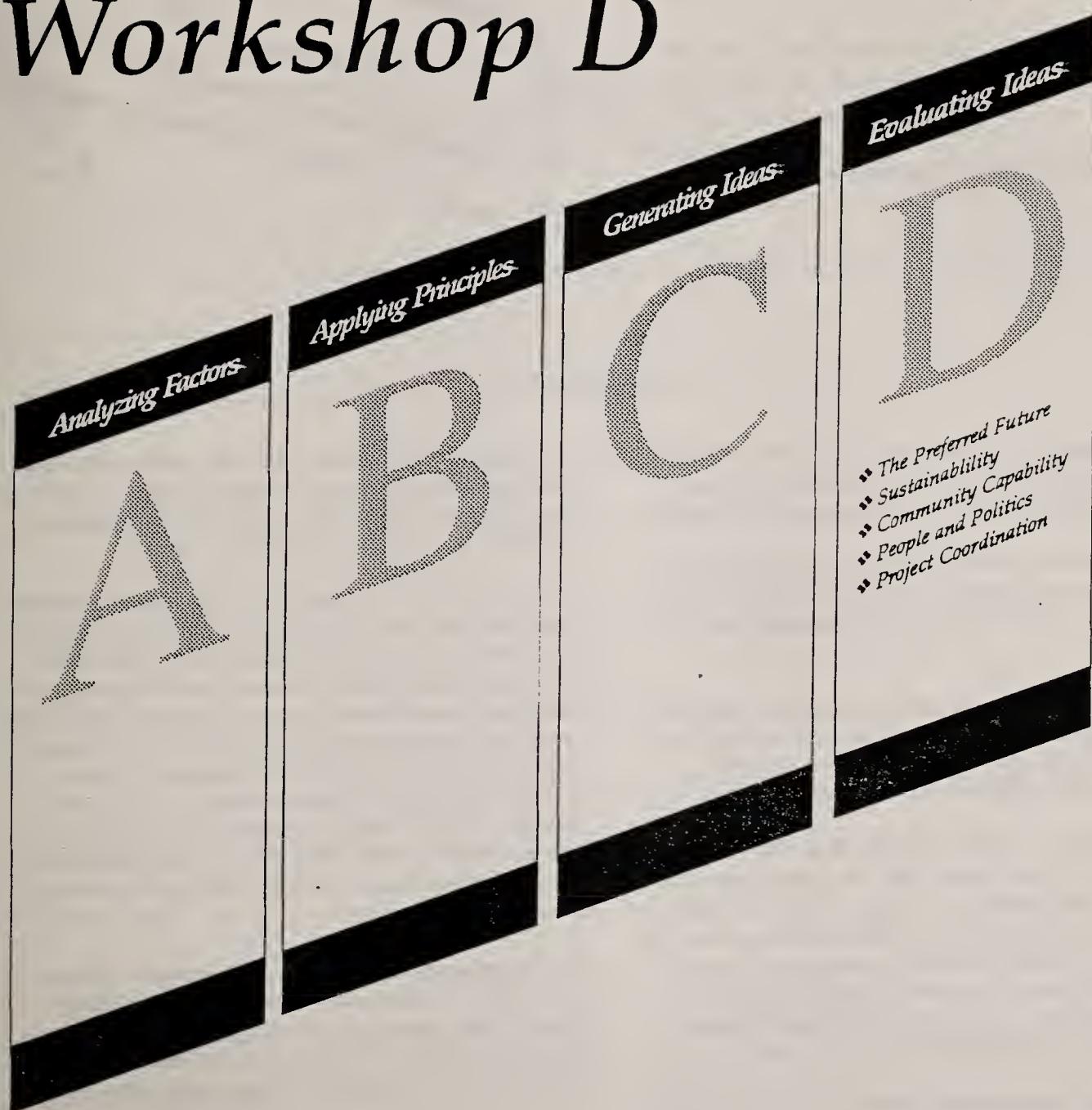
Projects May Require More Detailed Evaluation

Workshop D is a *preliminary* evaluation, requiring no extensive data or further study. It is a process that helps you choose practical and workable projects to suit community goals. Final project development — finance, organization, and administration — is the next step project committees will take. Thus, before you start a project, you may want to consider further evaluation if it:

- ❖ Requires large amounts of money,
- ❖ Poses significant side effects,
- ❖ Eliminates another important project,
- ❖ Benefits only a small portion of the community,
- ❖ Receives little community support,
- ❖ Sets an important precedent, or
- ❖ Limits future project choices.



Workshop D



WORKSHOP D

*Evaluating Project Ideas**Sample Workshop Agenda and Directions*

Workshop Goal
Evaluate project ideas and decide which projects the community should pursue.

AGENDA

Introduction — (10 minutes) The workshop facilitator reviews the agenda, explains why evaluating project ideas is important, and reviews past workshop results.

Presentation of Project Ideas — (5 minutes) The facilitator reviews those projects participants selected in Workshop C. Participants review and ratify this list of projects.

Small Groups — (5 minutes) Break into small groups by project idea. Choose one that you feel is important. However, group size should not exceed 10 people. Appoint a recorder and presenter before you start.

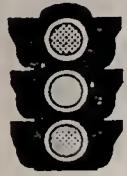
Worksheet D1 — (1 hour and 30 minutes) Complete Worksheet D1's five tasks. After completing each task, circle the green, yellow, or red light in the worksheet's upper left-hand traffic light symbol to indicate satisfaction (green), caution (yellow), or danger (red) as the result of the project's performance in each task. Together, the green, yellow, and red ratings will give an overall sketch of the project's strengths and weaknesses.

Because this evaluation occurs prior to implementing economic renewal projects, you will have to make some educated guesses to complete Worksheet D1. Other people in the room may be able to provide necessary information. If you have problems with a particular question, move on to the next, but be sure to return to any unanswered questions.

Worksheet D2 — (5 minutes) Use Worksheet D2 to determine where the group's project fits in a range of possible projects according to time involved, degree of difficulty, and extent of community benefits.

Group Reports — (5 minutes per group) A representative from each group briefly reports the project evaluation results. The facilitator plots the position of the project, in terms of timing and degree of difficulty, on a chalkboard or wall chart version of Worksheet D2. The facilitator indicates the extent of potential community benefits from the project with an underline (minor benefit), rectangle (moderate benefit), or circle (major benefit). The facilitator also makes note of which projects depend on the completion of other projects and uses this information to complete the project coordination graph.

Summary and Next Steps — (30 minutes) The workshop facilitator summarizes the group findings. Based on the evaluations, participants decide which projects are worth pursuing and what the next steps are for research, planning, and project implementation.

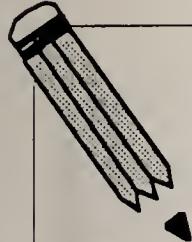


- Red
- Yellow
- Green

WORKSHEET D1



Task #1—The Preferred Future



*List ten or more of your community's most important goals and values. Mark each goal with a **+** if the project you are evaluating will affect it positively, with a **-** if the project will affect it negatively, and with a **0** if the project will not affect the preferred future goal.*

WORKSHEET D1

(continued)



Task #1—The Preferred Future

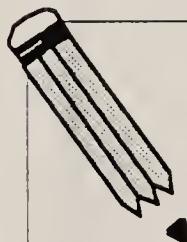
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Look at the goals your project affects negatively.

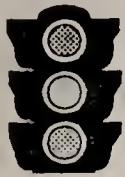
Are any negative impacts of the project unacceptable to the community?

Yes No

For example, a project to create 100 new jobs in town might depend on a manufacturing process that pollutes groundwater. It satisfies the goal of increasing jobs but makes it difficult to achieve the goal of keeping drinking water safe.



How can you improve the project to alleviate or avoid negative impacts on the community's preferred future?



- Red
- Yellow
- Green

WORKSHEET D1

(continued)

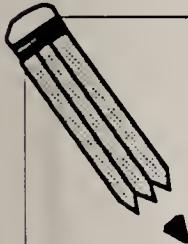


Task #2—Sustainability

Is your project sustainable?

Yes No

Does the project create conditions that preserve present resources and opportunities for future generations? Does it build local capacity for innovation and enterprise? Does it replenish natural resources and protect quality of life? The long-term health of the community's human and natural resources is the goal of sustainable economic development. Use the exercise below to test your project's sustainability.



How will the project help increase access to capital and business ownership for local residents?

WORKSHEET D1

(continued)

Task #2—Sustainability

(continued)



An educated and skilled public is vital to the community's capacity for innovation and enterprise.

In the long run, how will the project encourage investment of time and money into education and vocational training?



How will the project help build local infrastructure (transportation, recreation, health care, communications, social services, etc.)?

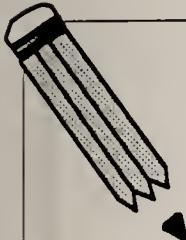
WORKSHEET D1

(continued)



Task #2—Sustainability

(continued)



*How does the project encourage the sustainable use of resources?
For example, is it energy-efficient and non-polluting?*



- Red
- Yellow
- Green

WORKSHEET D1

(continued)



Task #3—Community Capability



People and Organizations

List the people and organizations needed to make the project a success.

Put a **+** by those who could likely play an active role in or assist with the project.

Make a note of what skills or resources each person or group could bring to the project.

WORKSHEET D1

(continued)

Task #3—Community Capability

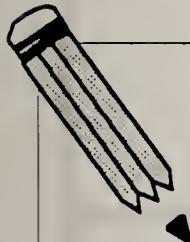
(continued)

Time

How much time must community leaders, staff, or volunteers commit to the project?

The time commitment is likely to be: (check one)

- Minor
- Moderate
- Extensive



Financial Resources

List financial resources—donations, grants, low-interest loans, in-kind support, real estate—currently available for use.

WORKSHEET D1

(continued)

Task #3—Community Capability

(continued)



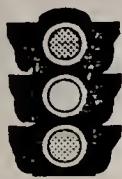
List other community resources, such as land and materials, not included in the previous categories that you could put to use.

Overall, from the above information, are there currently sufficient community resources and skills to start and successfully complete this project?

Yes No



If not, is there a way such resources could be gathered?



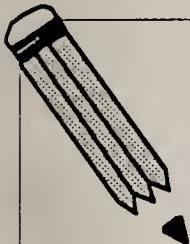
- Red
- Yellow
- Green

WORKSHEET D1

(continued)

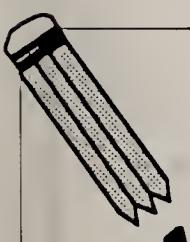


Task #4—People & Politics



Projects rise or fall sometimes due to the personalities of the people and organizations in charge. How might the community perceive the project and its leaders?

Benefits of a particular economic development effort are not always spread evenly throughout a community. Some people and groups are likely to receive many direct benefits while others receive few. In the big picture, a good project has many benefits, large and small. Even so, watch for any major wins or losses as a result of the project.



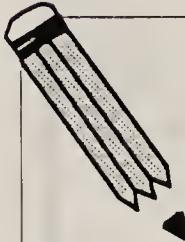
*List groups of people that the project might harm.
How would the project harm them? How can these effects be offset?*

WORKSHEET D1

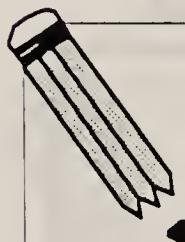
(continued)

Task #4—People & Politics

(continued)



*List groups of people who might receive special benefits.
What resources or effort will these groups contribute to the project?*



List key people and groups who would oppose the project.

WORKSHEET D1

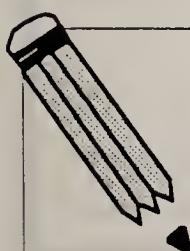
(continued)

Task #4—People & Politics

(continued)



Why would they oppose the project?



How can you shape the project to obtain their support or neutrality?

WORKSHEET D2



Project Coordination

Project

Economic Renewal projects vary in terms of time involved, extent of community benefits, and degree of difficulty. A broad range of projects that fit together will help you accomplish your goals and create your community's preferred future. For example, the list of projects your community decides to pursue should include at least one short-term, small-scale project to produce immediate benefits to the community and high visibility for the economic renewal process. You can build medium-term and long-term projects on the big impacts that small successes create.

Project Schedule

When should the project begin? (check one)

- In the short term (next few months)
- Near term (next year or so)
- Long term (2 to 5 years)

Project Duration

Including project preparation (planning, development, implementation, and maintenance), how long do you estimate it will take to complete the project from start to finish? (check one)

- less than 3 months
- 3 to 6 months
- 6 to 12 months
- 1 to 2 years
- 2 to 5 years
- more than 5 years

Critical Path

Do other projects have to be completed before you start this project?

Yes No

If you start this project, will it allow you to undertake other projects later?

Yes No

List projects or events upon which the timing of your project depends:

Time of Payback

The positive effects of the project will be realized by the community: (check one)

- immediately
- within the next year
- in more than one year
- in 2 to 5 years
- not realized for more than 5 years

WORKSHEET D2

(continued)



Project

Use the results of your project evaluation to decide where the project fits on the graph below.

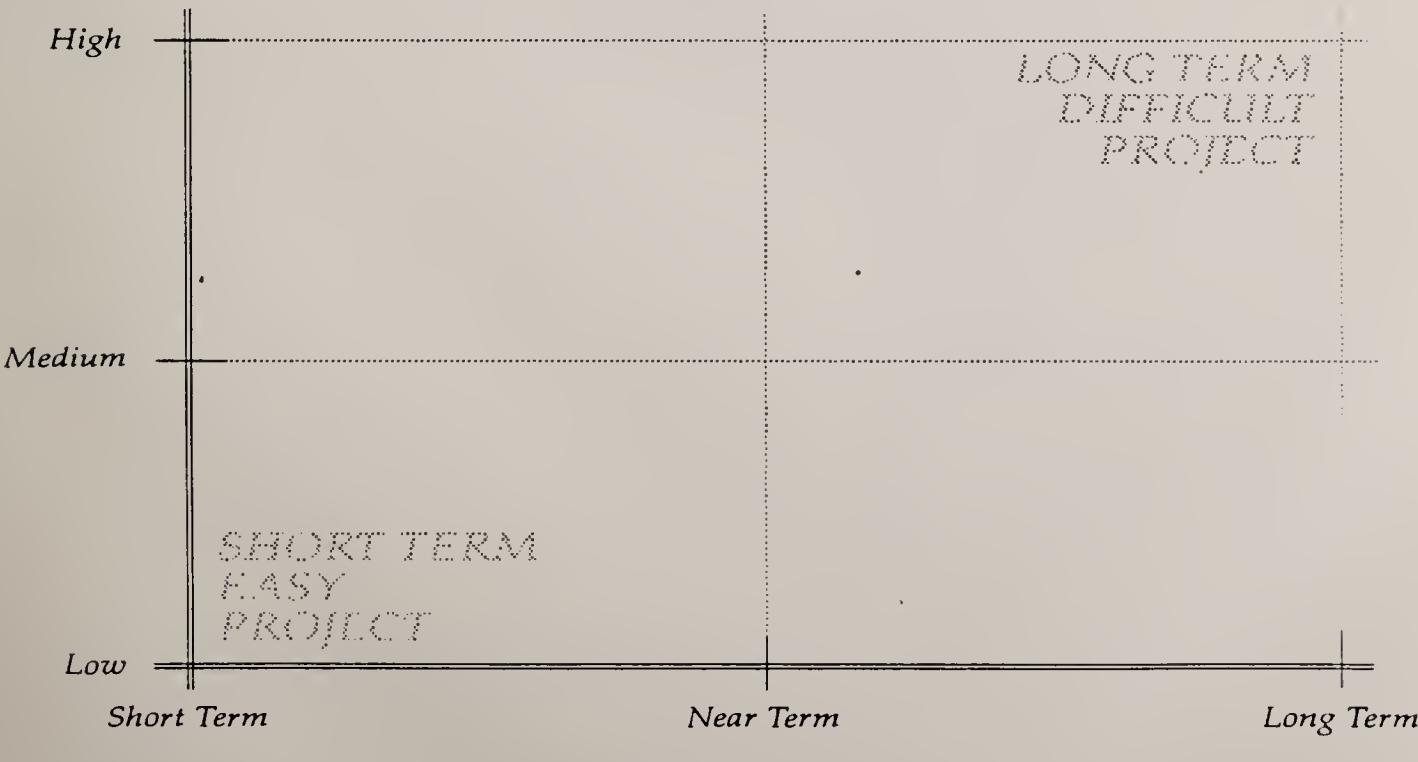
1 First, mark the spot where you believe the project you have evaluated belongs according to its timing (short-term, medium-term, or long-term) and its degree of difficulty (low, moderate, or high).

Note that project timing is on the bottom of the graph and degree of difficulty is listed on the left side of the graph. Thus, a project that is short-term and has a low degree of difficulty would appear in the lower left part of the graph, whereas a project that is long-term and has a high degree of difficulty would appear in the upper right part of the graph.

2 Second, decide if the project will provide minor, moderate, or major benefits to the community. If it will provide minor benefits, UNDERLINE the project's name on the graph. If it will provide moderate benefits, draw a **RECTANGLE** around it. If it will provide major benefits, **CIRCLE** it.

When your group reports the results of Worksheets D1 and D2, the facilitator will plot your project on a larger graph along with the projects that other groups evaluated.

DEGREE OF DIFFICULTY





Conclusion

❖ VII. Conclusion ❖

The *Food and Agriculture Workbook* shows how you can develop realistic projects to improve your local economy. You have come to understand how six factors — *natural resources and production inputs, human and organizational resources, government, infrastructure, access to capital, and markets* — affect your local economy. You have analyzed agricultural conditions and looked for ways to *plug the unnecessary leakage of dollars from your town, to support existing businesses, and encourage new businesses to start-up or relocate in your community.*

After completing the workshops, you have identified a number of projects to try out in your community. Review these projects to make sure they have the following characteristics:

- ❖ The projects are in keeping with community goals,
- ❖ The projects' rewards are well worth the risks,
- ❖ The projects enjoy broad community support, and
- ❖ There are community leaders willing to see the projects through to success.

Having reached community consensus on what projects to pursue, you are now at the stage of initiating each project. In a few cases — projects that are straightforward, low cost, and easy to implement — you will not need much planning. However, most projects tend to be more complex. These projects will require more planning and the development of a course of action. The Economic Renewal Program's *Financing Economic Renewal Projects* is a handbook that will help get you started.



VIII

Initiating A Project: Helpful Hints

❖ VIII. Initiating A Project: ❖ *Helpful Hints*

To maintain project enthusiasm and momentum at this stage, incorporate the following suggestions for initiating a project into your Economic Renewal strategy.

- ❖ **Form a project committee** that is willing to develop a course of action or work plan that outlines necessary actions, required resources, and project responsibility.
- ❖ **Celebrate your success.** Spend some time with other workshop participants reviewing the actions and processes that were successful in getting you to this point of action.
- ❖ **Spread the news.** Use local newspapers, radio, and public forums to let the community know what you have accomplished to date and what you plan to do next.
- ❖ **Seek broad support.** Look for ways to build on other community efforts. Seek others who are willing to join your effort.
- ❖ **Initiate some research of your own.** Review your "Need to Know" list. Have new questions come about? Do you have additional information that may now be of assistance? Now is the time to contact other communities to learn about their efforts and avoid their mistakes.
- ❖ **Determine what type of help you may need for your project.** Learn more about the community resource people who may be able to help, as well as the professional consulting services that may be available. Talk to these people now about the skills, methods, and insights they might bring to your project.

- ❖ **Assess your financial needs.** At this point, you need to estimate the "order of magnitude" of your project's cost. Will this project cost less than \$1,000? Less than \$5,000? Is it a \$20,000 project? A \$50,000 project? Is it a multi-million dollar effort requiring funding for many years?
- ❖ **Understand the motivations, interests, concerns, and commitment levels of all project committee members.** Find out what each person needs to see happen in order to feel satisfied with the time and energy they have committed to the workshop process.
- ❖ **Discuss and decide on a process for making committee decisions.** What are the obligations of committee members?
- ❖ **Decide when, where, and how often the committee will meet.** Make sure everyone is comfortable with the schedule.

You are now well on your way to developing projects that will improve local food and agricultural conditions. RMI's Economic Renewal program has also developed other resources to aid communities in improving their economies. Workbooks and casebooks for particular resource areas are available in *water, business opportunities, and energy*. One or more of these topics might be of particular value for your community to explore. Feel free to contact Rocky Mountain Institute for information on these topics or other assistance.

Good Luck!

IX

*Appendix 1:
Food and Agriculture Profile*

❖ IX. Appendix I: ❖ *Food and Agriculture Profile*

A profile of the community's food supply and agricultural economy includes such facts as the length of the local growing season, the amount of local food products used by area restaurants and schools, and the percentage of prime farmland under commercial development. These facts will help you recognize opportunities for building a healthy supply of local food and a strong agricultural economy.

In *Section A: The Farming Community*, you will outline general characteristics of local agriculture, such as population, farming practices, and land-use patterns, to give Economic Renewal workshop participants reference information about the farming community. In *Section B: Food Industry Dynamics*, you will survey a number of businesses in the local food industry to determine the extent to which food dollars are leaving or staying and multiplying in your local economy. This will give you a framework within which to apply the four Economic Renewal Principles — *plug the leaks, support existing business, encourage new enterprise, and recruit compatible business* — during the community workshop process outlined in this workbook.



A. The Farming Community

You can find much of the information you need for this section of the appendix at your local Cooperative Extension or state agriculture department offices. You can also contact the sources listed in Appendix 3 for additional information.

1 Define your farming community.

What are its boundaries and basic characteristics? A farming community is usually part of a geographic and/or climactic area; that is, farmers are related by the watershed they share, the growing season they face, and the type of soil with which they work. In the space provided, list important characteristics of your farming community.



2 Who's Farming?



*What is the total population of your
"farming community?"*

*Of this population, what percent are full-time
farmers, receiving total household income from
agricultural operations?*

 %

What percent are part-time farmers, supplementing agricultural income with non-farm income?

 %

3 How Are They Farming?



What is the length of the local growing season?

Are there any local greenhouses, hydroponic growing facilities, or other season/surface-area extenders?

What is or can be grown with the aid of these extenders (flowers, fruit, fish)?

What amount of the farming community's highly erodible land is under cultivation?

How do farmers manage highly erodible land to prevent soil erosion?

How has any soil erosion or agricultural chemical use affected water quality and stream flows?

What percentage of local farmland requires irrigation?

 %

What is the status of the area's water table?

What was its level 40 years ago?

What is its level today?

3 How Are They Farming?

(continued)

What water conservation measures do area farmers employ?

How much planned commercial, residential, and industrial development in the local area proposes to use prime farmland?

What amount of water, energy, and infrastructure (sewer, roads, parking lots) do these developments require?

How much of the current commercial, residential, and industrial development in the local area is located on prime farmland?



B. Food Industry Dynamics

Food and agriculture represent significant flows of money into, out of, and around your local economy. Even if you do not consider your economy agricultural, local restaurants, groceries, schools, and food processors buy food supplies and employ people to prepare, package, and serve food. When the local food industry — including farmers — employs area residents and buys local supplies, then local food dollars multiply in value as employees spend or invest their paychecks in town and as food industry suppliers deposit their money in local banks.

Food Industry Survey

Use the survey form on page 108 to interview, or survey by mail, a number of local businesses from each of five food industry segments:

Production

(farmers, ranchers, etc.)

Processing

(bakeries, canneries, homemade juices)

Retail

(supermarkets, mail-order, consumer cooperatives)

Service

(restaurants, fast-food, cafeterias)

Institutions

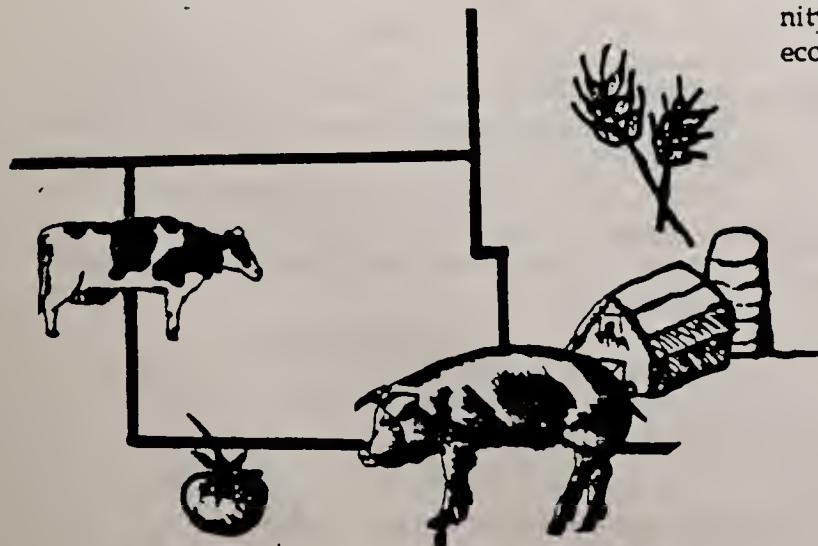
(schools, hospitals, government)

The survey will highlight the economic dynamics of local food and agriculture and give workshop participants some data with which to find opportunities for keeping more food industry purchases in the community to the benefit of both buyers and suppliers. The sample survey form and instructions on pages 106-107 illustrate the survey's format and content.

Because businesses in each food industry segment spend money on *Overhead; Labor; and Inventory, Equipment, and Materials*, this survey will help you gauge the amount of money leaving the local economy to purchase these supplies. If you find, for instance, that an overhead expense like interest payments eats up farmers' profits, you might develop a project to plug this leakage of money and help farmers find access to low-interest capital.

In turn, you can use information about food industry expenditures on equipment and materials to determine how the community might find ways for farmers to substitute local fertilizer products for imported chemicals, thus supporting existing local businesses or encouraging new enterprise. You might also find out what food products local restaurants and institutions might be willing to buy from area growers and substitute for food products they have been importing from outside the local economy.

The survey is adaptable to your needs and resources; that is, you can survey two or three representative businesses from each segment of the local food industry and draw a general profile of local food and agriculture, or you can survey every food business in the community and generate a detailed report of how your local economy loses or retains and re-spends food dollars.



Food Industry Dynamics Survey

Instructions

As you read the following survey instructions, please refer to the demonstration survey on the next page.

Note: The information for survey items 1a, 2a, 3a, and 6 should be provided in decimal form by local management of the surveyed businesses. This makes your calculations more manageable and maintains the privacy of business records. Items 1b, 2b, and 3b are percentages that the businesses can gather from invoices and other purchasing records.

Ask local management of a number of food industry companies to provide you with the following information.

Item 1a

Estimate the fraction of total annual sales that go to overhead costs (rent, employee benefit payments, interest payments, taxes, owner-derived profits, utility bills).

Item 1b

Estimate the fraction of Item 1a that is spent locally.

Item 1c

List three or more major overhead expenses.

Item 2a

Estimate total payroll, including proprietor income.

Item 2b

Estimate the fraction of total payroll paid out to community residents.

Item 2c

List any skills the business finds it must import from other areas.

Item 3a

Estimate the annual cost of inventory, equipment, or materials purchased for the business.

Item 3b

Estimate the fraction of these items purchased locally.

Item 3c

List three or more major inventory, equipment, or materials expenses.

Item 4

Calculate the total in-region fraction of overhead; labor and inventory, etc. purchases by multiplying each set of "total" fractions times their local purchase ratios and then summing their total.

$$[(1a \times 1b) + (2a \times 2b) + (3a \times 3b)]$$

Item 5

Estimate the markup ratio the business must charge its customers in order to recover its inventory, materials, and equipment costs. With this information, you can gauge the cost-effectiveness of buying supplies locally or out-of-town.

$$(1a + 2a)$$

Item 6

Divide the business' total number of full-time equivalent jobs (including production, clerical, and management) by the business' total annual sales, in millions of dollars, times the percent of labor hired locally. This calculation will give you information about the number of local people who rely on the business for employment.

$$\begin{array}{r} \text{Full Time Equivalent Jobs} \\ \times 3b \\ \hline \$1,000,000 \end{array}$$

Demonstration Survey

<i>Business</i>	Hospital dining services	
<i>Industry Segment</i>	Institutional	
1a	Fraction/Overhead	.22
1b	Percent Purchased Locally	.40
1c	Three or more overhead expenses:	
	rent	
	utilities	
	employee benefits	
2a	Fraction/Direct Labor	.50
2b	Percent Purchased Locally	.10
2c	If any, skills imported:	
	paper products	
	meat	
	employee benefits	
3a	Fraction/Inventory, Equipment & Materials	.28
3b	Percent Purchased Locally	.80
3c	Three or more inventory, etc. expenses:	
	management	
4	Total In-Region Fraction [(1a x 1b) + (2a x 2b) + (3a x 3b)]	.36
5	Estimated Mark-up Ratio (1a + 2a)	.50
6	$\frac{\text{Full Time Equivalent Jobs}}{\$1,000,000 Annual Sales} \times 3b$	6.74

Adapted from "Energy Options for Local Economic Development" © Skip Laitner, Economic Research Associates

Interpreting the Survey

You have compiled data about local food industry expenditures. Now, let's put your survey of area food producers, processors, retailers, services, and institutional consumers into perspective.

Look at the survey's three food industry expenditure categories: *Overhead; Labor; and Inventory, Equipment, and Materials*. Information about how businesses spend money in these areas can help communities target their efforts to increase business sales, decrease business costs, or do both by improving the rate at which local businesses rely on other local businesses for supplies and assistance. Use the results of your survey to find the best leverage points for plugging the leaks, supporting existing business, encouraging new enterprise, and recruiting compatible business.

Some ways to leverage local economic activity in the *Overhead* category include making business more energy efficient and developing alternative financing

mechanisms to make capital more available and affordable to local businesses. Some ways to leverage local economic activity in the *Labor* category include developing local apprenticeship programs and cooperative management arrangements.

The *Inventory, Equipment, and Materials* category contains essential information about local business opportunities. If local restaurants, for example, import cases of lettuce on a daily basis, then this is an opportunity for an area farmer to supply local restaurants with lettuce. If you find ways to connect local buyers and sellers of food products, you will create jobs and economic activity. Let's take a closer look at how increasing local economic activity actually makes a community wealthier and more self-reliant.

How Local Purchases Can Multiply Dollar Value

Every dollar that enters a community's economy generates more than one dollar in local economic activity as businesses and individuals exchange it among themselves for local goods and services. If business and consumers have few opportunities to make local purchases, however, then each incoming dollar earns less value than it would if the majority of a community's purchases (especially for basic necessities that can be produced locally) were local. Suppose Erika cashes her paycheck in town and, among other things, spends \$1 on ice cream. After the ice cream store owner pays federal and state taxes and other non-local overhead, labor, and inventory costs of running her business, she may have 44 cents of Erika's dollar left over to buy milk at the local dairy. In this case, 56 cents of Erika's dollar left town immediately.

If most businesses in town spend 56 cents of every incoming dollar on out-of-town goods and services, then 56 percent of every local transaction leaks out of the economy and drains local economic activity (while only 44 percent of each transaction goes on to produce more dollar value for the local economy). Thus, of the

44 cents left over from Erika's dollar that the ice cream store owner spends to buy milk, the local dairy will have 19 cents left over, having spent 25 cents of it on out-of-town costs (25 cents = 56 percent of 44 cents).

With this local "leakage" rate of 56 percent, a smaller and smaller proportion of Erika's dollar remains for local purchases. If the dairy puts the remaining 19 cents (44 percent of 44 cents) toward making payroll, a local employee will spend 56 percent of the 19 cents on buying groceries at a city supermarket and have nine cents left over to deposit in the local bank. After spending 56 percent of its nine cents on non-local overhead, labor, and inventory costs, the bank will have approximately five cents left over to put into a local loan package. If the local tool and die shop borrows this money from the bank, then it would have approximately two cents (44 percent of five cents) left over to buy supplies from the local hardware store. After spending its 56 percent of two cents out of town, the hardware store would have less than one cent of Erika's original dollar to spend locally.

Adding together the transaction values created by Erika's original dollar ($\$1.00 + .44 + .19 + .09 + .05 + .02 + .01$), we come up with \$1.80 worth of economic activity. We can say that with a local leakage rate of 56 percent, every incoming dollar generates \$1.80 in local economic activity. In other words, every incoming dollar multiplies in value by 1.8. Thus, Erika's community has an *economic multiplier* of 1.8.

If Erika's community could come up with ways for local businesses to retain more of each dollar they receive; that is, plug the leakage of 56 cents on every dollar, then Erika's dollar could be worth much more to the local economy. Suppose the local leakage rate was 30 percent and the corresponding retention rate was 70 percent. If we add up the transaction values of one incoming dollar at a retention rate of 70 percent ($\$1.00 + .70 + .49 + .34 + .24 + .17 + .12 + .01$), we find that one incoming dollar generates \$3.07 in local economic activity, or a multiplier of about three. A community can increase its economic multiplier, and thus the value of each dollar, by connecting local buyers and suppliers of overhead, labor, and inventory and by providing opportunities for residents to shop locally.

If the tool and dye shop in Erika's community started manufacturing pasteurizing equipment, for instance, the dairy owner would have the opportunity to buy local. Instead of making payments to a distant company for pasteurizing equipment, the dairy would buy local equipment and then keep more than only 19 cents of Erika's dollar in the economy. Furthermore, if

the dairy's employees had more opportunities to buy groceries fresh from local farmers, then they might spend less money on out-of-town groceries and keep more than nine of those 19 cents in the local economy.

In addition to increasing the value of each dollar, an increased multiplier effect also improves the effectiveness of a community's other economic development efforts. If the expanded tool and dye shop, for example, helps bring the local multiplier effect of each new dollar from 1.8 up to three, then efforts to increase local business sales in general will benefit from this greater rate of local dollar retention. Suppose a new marketing strategy increases total local business sales of \$1 million by 10 percent. If the local multiplier effect is three, then a 10 percent increase in sales would add up to \$300,000 in new local revenue, or three times 10 percent of \$1 million. That's \$120,000 more than the \$180,000 that a multiplier of 1.8 would generate from a 10 percent increase in local sales.

You can use your food industry survey to match food industry buyers and suppliers, find new agricultural business opportunities, increase the local multiplier effect; and improve the effectiveness of all economic development efforts. For an example of how other communities have done this, read about *Oregon Marketplace* in the box on page 111. For an example of how a group of farmers have overcome the obstacles of trying to supply supermarkets, restaurants, and other food industry businesses with the products those businesses want and need, read about the *Ozark Organic Growers' Association* in the box to the left.

The Ozark Organic Growers' Association is an organization of small farmers in Arkansas, Missouri, and Oklahoma. Through this organization, individual farmers are able to pool their production efforts and supply grocers, restaurants, processors, schools, and other food buyers with the products they want and need — when they want and need them. Alone, each farmer would find it difficult to supply a grocery store with the fresh produce it needs all year round. As an association, however, the farmers can coordinate their production and compete with distant corporate farms in convenience, price, and quality.

Lower costs of marketing and delivery are just one advantage to individual farmers of cooperative production. In addition, food industry businesses that buy food products from local businesses help communities retain dollars because busy farmers keep dollars in local circulation as they buy supplies and invest their profits.

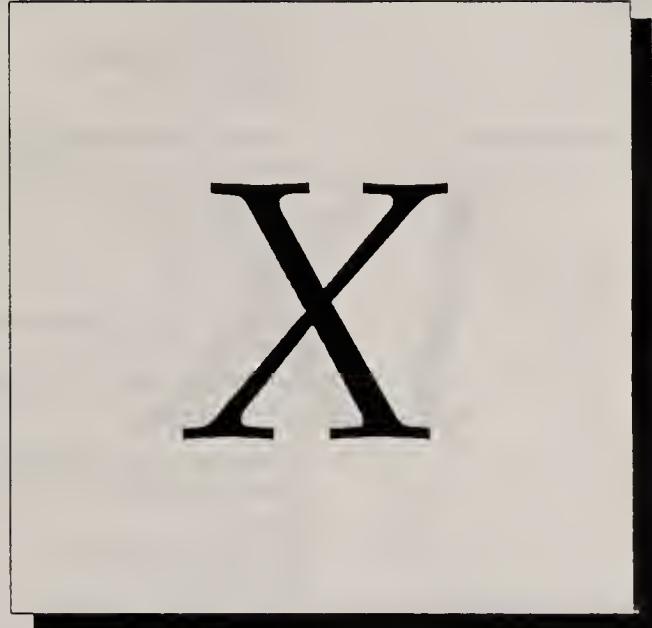
Oregon Marketplace is a non-profit "buy local" program that matches local business buyers and suppliers in an open, competitive, and confidential bidding process. This *import replacement* program was originally established in Lane County, Oregon, by the Eugene Neighborhood Economic Development Corporation as a way to stop the export of local dollars by helping businesses find replacements for those items they purchased from distant producers. The strategy has multiple benefits. The seller benefits from expanded markets and lower freight costs. The buyer benefits from savings on the cost of supplies (up to 50 percent on some items), lower inventory and warehousing costs, and face-to-face communication with suppliers. The local economy benefits from retention and creation of jobs, increased capital available for local investment, economic diversification and potential for new exports, and increased circulation of dollars throughout the community's economy.

Oregon Marketplace's technique supports existing business and encourages new enterprise by plugging the leakage of local income and resources. The Burley Design Cooperative (BDC), for instance, used to import most of its bicycle wheels from Taiwan. The company incurred high shipping costs, taxes, and unpredictable delays. Oregon Marketplace put BDC in touch with Gary Hale, a local inventor of bicycles for the disabled. When Hale began supplying BDC with wheels, he was able to expand his business and create two new part-time jobs. Doing business with Hale also cut BDC's costs by 40 percent.

When the University of Oregon needed new band uniforms, Oregon Marketplace discovered that in the entire country there were only a handful of uniform manufacturers, all located on the East Coast. In its search, Oregon Marketplace found three local businesses that were willing to collaborate on a band uniform project. Today, the businesses are making band uniforms for sale along the entire West Coast.

In its first year, the Oregon Marketplace program generated over \$2 million in new local contracts and cost savings for Lane County businesses. Additionally, \$1.5 million became available from banks for investment and nearly 100 local people found new jobs. Finally, increased local dollar circulation from the program's matching of local buyers and suppliers produced an economic impact of \$4.6 million, according to Oregon Marketplace.

Oregon Marketplace continues to grow and develop business opportunities in the state. The *New Business Generation Program* (N BG), for example, is a new branch of Oregon Marketplace. N BG recycles information about missed matches. If for some reason Oregon Marketplace cannot match local buyers and suppliers, N BG lets Oregon entrepreneurs know that certain new business opportunities exist. N BG also works with service and educational agencies to match would-be small businesses with technical and financial assistance.



X

*Appendix 2:
Case Example Contacts*

❖ X. Appendix 2: ❖ *Case Example Contacts*

Alternative Energy Resources Organization
44 N. Last Chance Gulch #7
Helena MT 59601
406-443-7272

Alabama Department of Agriculture and Industries
PO Box 3336
Montgomery AL 36193
1-800-321-0018

American Trade Exchange, Inc.
PO Box 176
Trenton MO 64683
816-359-3007

AgriRail Corporation
c/o Farmers' Cooperative Elevator Co.
Box 1009
Dawson MN 56232
612-769-2408

Best of Missouri Farms
1-98 Agriculture Building
Columbia MO 65211
(314) 882-9162

Cheyenne Botanic Gardens
710 S. Lions Park Drive #11
Cheyenne WY 82001
307-637-6548

City of Fruitland
Rick Watkins/Joe Woziak
PO Box 324
Fruitland ID 83619
208-452-4421

Community Supported Agriculture
Box 366
South Egremont MA 01258
413-528-3102/4373

Farm Fresh Directory
Colorado Department of Agriculture
1525 Sherman
Denver CO 80203
303-866-2811

Financing Ozark Rural Growth
PO Box 269
Jasper AR 72641
501-446-2211

Greeley Food Clearinghouse
PO Box 965
1305 Second Street
Greeley CO 80631
303-356-2199

James Valley Electric Cooperative
RR 2, Box 22
Edgeley ND 58433
(701) 493-2281

Livestock Master Program
WSU Cooperative Extension
600 128 Street SE
Everett WA 98208
206-338-2400

Massachusetts Federation of Farmers' Markets
1499 Memorial Ave.
West Springfield MA 01089
413-731-8820

Minnesota Corn Processors
400 W. Main Street
Suite 201
Marshall MN 56258
507-537-0577

New Mexico State University
College of Agriculture
Las Cruces NM 88003
(505) 646-3748

Ledgerock Farm
PO Box 125
Dogpatch AR 72648
501-446-5410

Self Help Association for a Regional Economy
PO Box 125
Great Barrington MA 01230
413-528-1737

Small Business Development Center
Southwestern Community College
1501 Townline
Creston IA 50801
515-782-4161

Wisconsin Farmland Conservancy
Box 353
Menomonie WI 54751
715-235-8850

Iron Range Resources and Rehabilitation Board
PO Box 441, Hwy 53 S
Eveleth MN 55734
218-744-2993

XI

*Appendix 3:
Sources For More Information*

❖ XI. Appendix 3: ❖ *Sources For More Information*

Periodicals

American Journal of Alternative Agriculture

Institute for Alternative Agriculture, Inc.
9200 Edmonston Road, Suite 117
Greenbelt MD 20770
(301) 441-8777

This journal features in-depth discussion of different farming practices and agricultural policy issues.

Growing Business

MCM Publishing Inc.
PO box 25543
Kansas City MO 64119
(816) 364-5872

Full of basic information and tips for small businesses, this magazine is a handy reference.

In Business

JG Press Inc.
Box 323
18 S. Seventh Street
Emmaus PA 18049
(215) 967-4135

This magazine covers all kinds of environmentally sound business opportunities from recycling to organic agricultural products and supplies.

Missouri Farm — Total Concept Small Farming, Gardening, and Rural Living

c/o Ridge Top Ranch
3903 W. Ridge Trail Road
Clark MO 65243
(314) 687-3525

"Missouri Farm" not only introduces a great number of small farm diversification opportunities to its readers, it gives details of how farmers have made their operations successful.

The New Farm — Magazine of Regenerative Agriculture

222 Main Street
Emmaus PA 18098
215-967-5171

This magazine brings "on-farm" experience with regenerative agriculture practices to its readers.

Rural Enterprise

PO Box 878
Menomonee Falls WI 53051
414-255-0100

This quarterly magazine covers on-farm retail marketing, farmers' markets, agricultural diversification, rural home-based businesses, and rural economic development.

Rural Development Perspectives

ARED-ERS-USDA, Room 328
1301 New York Ave., NW
Washington DC 20005-4788
202-786-1520

Agriculture is one of many elements in the context of rural life. This magazine covers an assortment of issues facing rural towns.

Small Town

Third Avenue and Poplar Street
PO Box 517
Ellensburg WA 98926
509-925-1830

"Small Town" highlights concerns common to all small towns and provides its readers with background information and development ideas.

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Tools

Tool Kit for Community Economic Development
Clearinghouse for Community Economic

Development
University of Missouri
628 Clark Hall
Columbia MO 65211

**Basic Formula to Create a Community
Supported Agriculture**

Robyn Van En/CSA Indian Lake Farm
RR 2 Box 85
Great Barrington MA 01230

**Booker T. Whatley's Handbook on How to Make
\$100,000 Farming 25 Acres**

Regenerative Agriculture Association
222 Main Street
Emmaus PA 18098

**Farming Alternatives - a Guide to Evaluating the
Feasibility of New Farm-based Enterprises**

Northeast Regional Agricultural Engineering Service
Cornell University
152 Riley-Robb Hall
Ithaca NY 14853

**Greener Pastures on Your Side of the Fence: Better
Farming with Voisin Grazing Management**

Arriba Publishing
213 Middle Road
Colchester VT 05446

**Local Food Production for Local Needs: Manual for
Analysis of a College or University Food Service**

The Meadowcreek Project, Inc.
Fox AR 72051

**Profiles in Rural Economic Development: a Guide
book of Selected Successful Rural Area Initiatives**

Midwest Research Institute
425 Volker Boulevard
Kansas City MO 64110

Also available from the Midwest Research Institute:

**A Portfolio of Community College Initiatives in Rural
Economic Development**

**Recouple: Natural Resource Strategies for Rural
Economic Development**

Organizations

Your first contacts for farm diversification and community economic development projects should be your local Cooperative Extension office, state department of agriculture, state department of economic development, and your region's sustainable agriculture or organic growers' organizations. The organizations listed below have further information and services.

Marketing and New Business

Agriculture Marketing Service
U.S. Department of Agriculture
14th Street and Independence Avenue SW
Washington DC 20250
(202) 653-6976

Center for Alternative Plant and Animal Products
University of Minnesota
305 Alderman Hall
1970 Fowell Avenue
St. Paul MN 55108
(612) 624-4217

Pacific Northwest Farm Direct Marketing Assoc.
Larry Burt
Department of Agricultural and Resource Economics
Ballard Extension Hall 213
Oregon State University
Corvallis OR 97331-3601
(503) 737-1436

Rural Development Center
Kirkwood Community College, Building 31
PO Box 2068
Cedar Rapids Iowa 52406
(319) 398-5699

Worker-Owned Network
50 S. Court Street
Athens OH 45701
(614) 592-3854

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Finance

National Association of Community Development Loan Funds
PO Box 40085
Philadelphia PA 19106-5085
(215) 923-4754

National Cooperative Bank Development Corporation
1630 Connecticut Avenue NW
Washington DC 20009
(202) 745-4600

Shorebank Corporation
7054 S. Jeffery Blvd
Chicago IL 60649
(312) 288-2400

Research, Education, and Advocacy

Appropriate Technology Transfer for Rural Areas
PO Box 3657
Fayetteville AR 72702
1-800-346-9140

Center for Economic Conversion
222C View Street
Mountain View CA 94041
(415) 968-8798

Center for Rural Affairs
PO Box 405
Walthill NE 68067
(402) 846-5428

Community Regeneration
Rodale Institute
222 Main Street
Emmaus PA 18098
(215) 967-6239

Economic Research Associates
1365 Riggs Street
Eugene OR 97401-5622
(503) 484-4979

Farming Alternatives Project
Agricultural Economics Department
Cornell University
Ithaca NY 14853
(607) 255-9832

Institute for Alternative Agriculture, Inc.
9200 Edmonston Road, Suite 117
Greenbelt MD 20770
(301) 441-8777

Institute for Community Economics
57 School St.
Springfield MA 01105-1331
(413) 746-8660

Institute for Food and Development Policy
1885 Mission Street
San Francisco CA 94103
(415) 864-8555

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Research, Education, and Advocacy
(continued)

Institute for Local Self-Reliance
2425 18th Street, NW
Washington DC 20009
(202) 232-4108

*Intermediate Technology Development
Group of North America*
777 United Nations Plaza
New York NY 10500
(212) 972-9877; (914) 271-6590

International Alliance for Sustainable Agriculture
1701 University Avenue SE
Room 202
Minneapolis MN 55414
(612) 331-1099

Kerr Center for Sustainable Agriculture
Box 588
Poteau OK 74953
(918) 647-9123

The Land Institute
Route 3
Salina KS 67401
(913) 823-5376

Land Stewardship Project
14758 Ostlund Trail North
Marine MN 55047
(612) 433-2270

The Meadowcreek Project
Fox AR 72051
(501) 363-4500

Missouri Alternatives Center
628 Clark Hall
Columbia MO 65211
1-800-433-3704

National Association of Towns and Townships
1522 K Street, NW, Suite 730
Washington DC 20005
(202) 737-5200

New Alchemy Institute
237 Hatchville Road
East Falmouth MA 02536
(508) 564-6301

Organic Crop Improvement Assoc., Inc.
125 W. Seventh St.
Wind Gap PA 18091
(215) 863-6700

Rodale Research Center
Route 1, Box 323
Kutztown PA 18409
(215) 683-6383

Small Farm Center
University of California
Davis CA 95616
(916) 752-6690

Southern Neighborhoods Network
PO Box 121133
Nashville TN 37212-1133
(615) 292-1798

USDA National Agricultural Library
Alternative Farming Systems Information Center
Beltsville MD 20705
(301) 344-3704

USDA Office for Small-Scale Agriculture
14th and Independence Avenues
Washington DC 20251-2200
(202) 447-3640

Wisconsin Rural Development Center
PO Box 504
Black Earth WI 53515
(608) 767-2539

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Books

Alternative Agriculture, National Research Council (Washington DC, National Academy Press, 1989).

Alters of Unhewn Stone: Science and the Earth, Wes Jackson, The Land Institute, Salina KS (San Francisco, North Point Press, 1987).

Empty Breadbasket? The Coming Challenge to America's Food Supply and What We Can Do About It, The Cornucopia Project of Rodale Press (Emmaus PA, Rodale Press, 1981).

Family Farming: A New Economic Vision, Marty Strange, Center for Rural Affairs, Walthill NE (San Francisco, Institute for Food and Development Policy, 1988).

The Gift of Good Land, Wendell Berry (San Francisco, North Point Press, 1981).

Meeting the Expectations of the Land: Essays in Sustainable Agriculture and Stewardship, Wes Jackson, Wendell Berry, Bruce Colman - editors (San Francisco, North Point Press, 1984).

Soil and Survival: Land Stewardship and the Future of American Agriculture, Joe Paddock, Nancy Paddock, and Carol Bly (San Francisco, Sierra Club Books, 1988).

Sustaining Agriculture Near Cities, William Lockeretz - editor (Ankeny, Iowa; Soil and Water Conservation Society, 1987).

Talk Back to This Book!

This publication offers you the benefits of the experiences of people who have worked to improve their local economy. In turn, your experiences can help others.

Your comments and ideas will help us increase the effectiveness of the Economic Renewal Program. If you want to tell us more than space allows, please use more paper.

We want to learn from you. Please complete this page, cut it out, and mail it to:



Rocky Mountain Institute
1739 Snowmass Creek Road
Snowmass CO 81654

Additional Comments?

What effect did this book have?

For instance, did it help you get people thinking carefully about economic development? Did it give you ideas or lead to an economic development project?

I am a

- farmer*
- community volunteer*
- craftsperson*
- local elected official*
- economic development professional*
- state or federal government employee*
- other*

Name _____

Address

City

State *Zip*

I am using this book

- on my own
- to help with committee work
- as part of a community effort
- as part of a state or federal program
- other

Would it be appropriate for a Rocky Mountain Institute researcher to call you about your experiences?

Yes No

I can be reached at the following telephone number(s):

Daytime

Evening

I would rate this book

- very useful*
- moderately useful*
- not useful*

Please send me more information about RMI's Economic Renewal Program.



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